

STATE FOREST MANAGEMENT: A MODEL FOR PROMOTING HEALTHY FORESTS, RURAL SCHOOLS AND JOBS

OVERSIGHT HEARING

BEFORE THE

SUBCOMMITTEE ON PUBLIC LANDS
AND ENVIRONMENTAL REGULATION

OF THE

COMMITTEE ON NATURAL RESOURCES
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

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OVERSIGHT HEARING ON “STATE FOREST MANAGEMENT: A MODEL FOR PROMOTING HEALTHY FORESTS, RURAL SCHOOLS AND JOBS.”

**Tuesday, February 26, 2013
U.S. House of Representatives
Subcommittee on Public Lands and Environmental Regulation
Committee on Natural Resources
Washington, D.C.**

The Subcommittee met, pursuant to notice, at 10:07 a.m., in Room 1324, Longworth House Office Building, Hon. Rob Bishop [Chairman of the Subcommittee] presiding.

Present: Representatives Bishop, Gohmert, Lummis, Tipton, Labrador, Amodei, Stewart, Daines, LaMalfa, Hastings, Herrera Beutler, Southerland, Grijalva, DeFazio, Holt, Horsford, and Garcia.

Mr. BISHOP. All right, we will come to order, if possible. We note the presence of a quorum. In fact, more of a quorum than we usually have, so I appreciate that.

The Subcommittee on Public Lands and Environmental Regulation is meeting today to hear testimony on State forest lands and the lessons they can provide for management of our Federal forest system. So, under the Committee Rules, the opening statements are limited to the Chairman, Ranking Member of the Subcommittee, and the Chairman of the full Committee, so we can hear from our witnesses more quickly. I would ask unanimous consent to include any Member's opening statement in the record if it is submitted to the Clerk by close of business today.

[No response.]

Mr. BISHOP. Hearing no objections, we won that one.

I also ask unanimous consent that members of the full Committee that are not on the Subcommittee be allowed to sit on the dais, and any Member who is here be allowed to participate on the dais with us. Without any objection?

[No response.]

Mr. BISHOP. Good.

STATEMENT OF THE HON. ROB BISHOP, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF UTAH

Mr. BISHOP. Today this Subcommittee is hearing testimony on non-Federal forest management and what the Federal Government can learn to better promote healthy forests and rural communities and jobs.

So the last few decades we have seen our National Forest System fall into complete neglect. What was once a valuable asset has deteriorated into a growing liability. So I believe our national forests and public lands are long overdue for a paradigm shift. It is time

for the Federal Government to cease being the absentee landlord over 600 million acres of this country that it controls, and start leveraging those lands in a way that benefits rather than burdens the taxpayers and the communities who are forced to play host to the Federal estate.

This is the first of several hearings we intend to hold on this issue of shifting this paradigm. With respect to better management of our national forests, the evidence presented by the chart behind me is pretty clear. Washington State, for example, harvests 30 times as much timber and receives 1,200 times more value per acre than the U.S. Forest Service in the State. Idaho, it has 52 times as much timber and 917 times more value. Montana has 19 times as much timber and 178 times more value.

While I highlight these three States as an example, we will hear from one of our witnesses today about a similar model in Wisconsin, that great western Federal land State of Wisconsin, as well as lands managed by the Tribe in Idaho.

So, I am looking forward to hearing more detail from these witnesses on how they are able to accomplish—but I actually think there is a couple of reasons I can guess on why it is actually possible.

In front of me on the dais here are two stacks of papers. The one stack represents 1,212 pages of documents that have been prepared by the U.S. Forest Service for a 2000 Collaborative Landscape Restoration Project in Montana, the Colt Summit Hazardous Fuel Reduction Project. And though the scoping of this project started over 3 years ago, we are still anxiously waiting for them to actually do something and conclude the project.

This other stack of papers in front of me is 29 pages prepared by the Idaho Department of Lands for a timber sale that was prepared over a matter of months, and recently sold for a half-million dollars. And more than that, it is more than the U.S. forest timber receipts for the entire State of Idaho in 2012. So, 2 percent of the paperwork, nearly 1,000 times the result, and this is a lesson we need to take very seriously. And I welcome any input from our witnesses as to why we face this kind of disparity of red tape and paperwork.

I also want to say that though I have been talking in terms of volume of timber and associated revenues, when it comes to forest health it is not about what is being removed from the forest, it is about what is being left behind. Forest management is complex. There is not a one-size-fits-all approach. But we do know that our national forests across the board have an overwhelming amount of overgrowth due to a hands-off management that will be addressed, one way or the other. If we fail, as a Federal Government, to manage our forests and our insects and disease outbreaks and catastrophic wildfires, we will fill that particular void.

It is not anti-environment to talk about thinning forests through sustainable management, but it is both scientifically demonstrable and common sense. The witnesses testifying today know this, and it is time for the Federal Government to learn from their example.

With that I would like to thank our former colleagues and members of this Committee, as well as the witnesses, for being here. I look forward to hearing all the testimony.

I would like to recognize the Ranking Member, Mr. Grijalva, for any opening statement he might have.

[The prepared statement of Mr. Bishop follows:]

**Statement of The Honorable Rob Bishop, Chairman,
Subcommittee on National Parks, Forests and Public Lands**

Today the subcommittee is hearing testimony on non-federal forest management and what the federal government can learn to better promote healthy forests, rural communities, and jobs.

The last few decades have seen our National Forest System fall into complete neglect. What was once a valuable asset has deteriorated into a growing liability.

I believe that our national forests and other public lands are long overdue for a paradigm shift. It is time for the federal government to cease being an absentee landlord on the 600 million acres of this country that it controls and to start leveraging these lands in a way that benefits, rather than burdens, the taxpayer and those communities who are forced to play host to the federal estate.

This is the first of several hearings I intend to hold on the issue of shifting this paradigm. With respect to better management of our national forests—the evidence presented by this chart behind me is pretty clear—Washington State harvests thirty times as much timber and receives 1,283 times more value per acre than the U.S. Forest Service. Idaho: 52 times as much timber, 917 times more value. Montana: 19 times as much timber, 178 times more value.

While I highlight these three states as an example, we will hear from one of our witnesses about a similar model in Wisconsin, as well as lands managed by the Nez Perce Tribe in Idaho. I'm looking forward to hearing more detail from our witnesses on how they are able to accomplish this but I can begin to take a guess.

In front of me on the dais are two stacks of paper. One represents the 1,212 pages of documents that have been prepared by the U.S. Forest Service for a 2,000 acre Collaborative Landscape Restoration Project in Montana—the Colt Summit hazardous fuels reduction project. Though scoping for this project began over three years ago, we're still anxiously awaiting its implementation.

The other stack is 29 pages prepared by the Idaho Department of Lands for a timber sale that was prepared over a matter of months and recently sold for half a million dollars—more than the U.S. Forest Service timber receipts for the *entire state* of Idaho in 2012. Two percent of the paperwork, nearly a thousand times the results, this is a lesson we need to be taking very seriously and we welcome the input to inform management of our national forests.

I also want to say that though I've been talking in terms of volumes of timber and associated revenues, when it comes to forest health, it is not about what is being removed from the forest; it is about what is left behind. Forest management is complex, there is not a one-size fits all approach, but we do know that our national forests across the board have an overwhelming amount of overgrowth due to hands-off management that will be addressed one way or another—if we fail to manage our forests, insect and diseases outbreaks and catastrophic wildfire will continue to fill that void. It is not anti-environment to talk about thinning forests through sustainable management, it is both scientifically demonstrable and commonsense. The witnesses testifying today know this, and it is time for the federal government to follow suit.

With that, I'd like to thank our former colleague and member of this Committee, as well as our other witnesses for being here, and I look forward to their testimony.

**STATEMENT OF THE HON. RAÚL M. GRIJALVA, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF ARIZONA**

Mr. GRIJALVA. Thank you, Mr. Chairman. And let me thank Governor Otter and Chairman Whitman for joining us here today. I look forward to your testimony, as well as the other witnesses that have been invited today.

I began my political career in Tucson, Arizona, serving on a school board. There are very few issues that are as important as the education of children to me. And State trust lands were set aside to do just that, to help fund public education in the State of Arizona and other States. The National Forest Lands were set

aside to protect watersheds, and are required to be managed in many uses, including timber production, but not necessarily tree farms.

Everyone is frustrated with the Forest Service. They don't do enough, they do too little, they are too slow, they are too fast, they don't listen, they are too process-oriented. They might be the only governmental agency or institution with a lower approval rating than Congress, which would surprise me terribly, but nevertheless, it is a possibility.

[Laughter.]

Mr. GRIJALVA. We have to recognize that managing forests for multi-use in a budget-constrained environment with looming reductions on the horizon is a very, very difficult task. It is our responsibility to give the agency the tools it needs for hazardous fuels reduction, watershed protection, and the recreational demands of the American people.

Last year we put real proposals on the table to address wildlands fire risk, including long-term stewardship contracting and good neighbor authority. These ideas did not get a hearing, and were voted down as they were offered as amendments to other pieces of legislation. I hope we take a different approach in this Congress. Instead of wasting our time exploring radical ideas that won't move in the Senate, we should focus on policies that will make our forests healthier and our constituents safer.

Last year the Legislatures of Utah and Arizona adopted legislation requiring the Federal Government to transfer title of public lands back to the States. Arizona Governor Brewer vetoed the legislation, stating it violated the Federal Constitution. The same champions of this approach are still peddling that snake oil to Idaho, New Mexico, and Wyoming. While several of our witnesses today are offering a different approach than what State legislators are considering, delegating the management of American resources to the States, it is still, in and of itself, a radical idea.

To imagine that the long-standing struggle over the use of our National Forests will somehow disappear if they are turned over to the States is just pure fantasy. When we look at this issue, we cannot forget that different management priorities—the different management priorities of the Federal forest and State trust lands. State trust lands are set up for a singular purpose: to produce revenue. Federal forests, on the other hand, have a broader mandate, and a wider set of management goals, and with multi-use outcomes.

We will hear today about the role that National Forests play in fulfilling the treaty responsibilities that the United States has with Native Americans. To hand over control of forest lands to States would mean turning our back on this unique relationship, not to mention the 60-plus-million Americans who get their drinking water from National Forest watersheds, and the millions upon millions of recreational users.

These issues are complicated as they are controversial, and I look forward to the testimony today. And I yield back, Mr. Chairman, thank you.

[The prepared statement of Mr. Grijalva follows:]

**Statement of The Honorable Raúl M. Grijalva, Ranking Member,
Subcommittee on Public Lands and Environmental Regulation**

Thank you Governor Otter and Chairman Whitman for joining us today. I look forward to hearing your testimony and the testimony from the second panel as well.

I started my political career on the Tucson School Board. There are few issues more important to me than the education of our children. State trust lands were set aside to fund education. National forest lands were set aside to protect watersheds and are required to be managed for many uses, including timber.

Everyone is frustrated with the Forest Service. They don't do enough, they do too little, they are too slow, they are too fast, they don't listen, they are too process oriented. They might be the only government institution with a lower approval rating than Congress.

But we have to recognize that managing forests for multiple-use in a budget constrained environment is a very difficult task.

It is our responsibility to give the agency the tools it needs for hazardous fuels reduction, watershed protection and recreational demands.

Last year we put real proposals on the table to address wildland fire risks—including long term stewardship contracting and good neighbor authority. These ideas didn't get a hearing and were voted down when offered as amendments.

I hope we take a different approach this Congress. Instead of wasting our time exploring radical ideas that won't move in the Senate we should focus on policy that will make our forests healthier and our constituents safer.

Last year, the legislatures of Utah and Arizona adopted legislation requiring the federal government to transfer title of public lands back to the state.

Arizona Governor Brewer vetoed the legislation stating that it violated the federal Constitution. The same champions of this approach are still peddling their snake oil to Idaho, New Mexico, and Wyoming.

While several of our witnesses today are offering a different approach than what state legislators are considering, delegating the management of American resources to the States is a radical idea. To imagine that the long standing struggle over the use of our national forests will somehow vaporize if they are turned over to the States is just a fantasy.

When we look at this issue, we cannot forget the different management priorities of federal forests and state trust lands. State trust lands are set up for a singular purpose: to produce revenue. Federal forests, on the other hand, have a broader mandate and wider set of management goals.

We will hear today about the role National Forests play in fulfilling the treaty responsibilities the United States has with Native American. To hand over control of federal forest lands to the states would mean turning our back on that unique relationship, not to mention the 60 plus million Americans who get their drinking water from a national forest watershed and the millions of recreational users.

These issues are as complicated as they are controversial. I look forward to your testimony.

Mr. BISHOP. Thank you, Mr. Grijalva. Do you really want to set a standard that something has to be able to pass the Senate? Can anything pass the Senate?

[Laughter.]

Mr. BISHOP. That is rhetorical, you know.

Mr. GRIJALVA. I realize—

Mr. BISHOP. Yes. I'm pleased to have the Chairman of our full Committee here, Mr. Hastings. and I will recognize you, if you have a statement, as well.

**STATEMENT OF THE HON. DOC HASTINGS, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF WASHINGTON**

Mr. HASTINGS. I do, and I thank you very much for the courtesy of allowing me to be here. And I thank you for holding this hearing to identify ways on how the Federal land agencies can improve their management policies to benefit not only the health of our National Forests, but also to spur more jobs and economic develop-

ment for our rural communities and schools that depend on these forest lands.

Today's hearing focuses on case examples of States that have successfully managed State-owned forest lands for generations to benefit a variety of public uses. Not surprisingly, many of these examples exist nationwide. Many of these States, despite holding title to only a fraction of the land within their boundaries as the Federal Government, are able to produce more revenue, create more jobs, and, as a result, have better-managed forests.

In stark contrast, the Federal Government's poor forest management results in an ever-increasing overgrowth and disease infestation of our forests. And, as a result, habitat is destroyed, maintenance backlogs grow, and a proliferation of catastrophic wildfires occur.

At a Longview, Washington field hearing this Subcommittee held last May, one witness representing a timber company that does business in both California and Washington provided a simple yet powerful example of this juxtaposition. He told of how his company made a decision to establish operations in the State of Washington because of the certainty of timber from public lands. But he quickly qualified that, saying that he was referring to State trust lands and not National Forest Service lands.

I too want to extend my welcome to Governor Otter from the great State of Idaho, a former member of this Committee, for his willingness to come and testify on this issue this morning. With over 300 million board feet of timber harvested, generating over \$50 million in receipts last year in Idaho on State forest lands, Governor Otter knows firsthand how States are providing leadership to improve forest management. And I am glad this testimony would be part of the public record.

I also want to welcome Lewis County Commissioner Lee Grose, who will be introduced by my colleague from Washington, Ms. Beutler Herrera [sic], who serves as a member of the Washington State Board of Natural Resources. That body is set by the State's constitution, and it manages 2.2 million acres of State-owned forest lands. These forest lands in the State of Washington generate an average of \$168 million annually to support the construction of, principally, education facilities in the State of Washington.

In comparison, the U.S. Forest Service is responsible for managing over 9 million acres, nearly four times as much in the State of Washington, yet it harvests just 2 percent of the growth. And that yields an average of \$589,000 in revenue. This graph shows the distinct difference in the State of Washington.

Nationwide, the Forest Service last year harvested 200,000 acres, or a meager $\frac{1}{10}$ of 1 percent of the total forested acreage in the National Forest System. That is less than the total acreage of forest lands that burned in my part of the State of eastern Washington last fall. And part of that was 35,000 acres of the endangered spotted owl habitat.

Rather than offering the all-too-familiar rhetoric of how complying with one Federal order or another costs too much, it is time for the Federal Government to adjust how it does business, and honor its statutory responsibilities to manage the forests, including allowing sufficient timber harvested to benefit our forested counties

and their schools, as well as improve declining forest health and reduce the threat of catastrophic wildfire.

In 2011 a high-level Obama Administration Forest Service official testifying before this very Subcommittee promised to explain the Forest Service efforts to streamline the NEPA process to expedite timber management. Two years later we have not gotten a response on that.

And I just want to say, as we go forward, we will be dealing with the issue of Secure Rural Schools. But keep in mind one issue that I think we forget over and over and over, and that is Federal lands not otherwise designated should be used for multiple purpose, and that includes commercial activity. And commercial activity, in my view, would be properly managing our National Forest lands and would result in the economic activity that I pointed out that States have had.

So with that, Mr. Chairman, I thank you for the courtesy, and I see my time has expired.

Mr. BISHOP. Thank you, Mr. Chairman. I would at this time invite the four witnesses we have to take their seats at the dais there, which would include Governor Otter; Mr. Whitman, Chairman of the Nez Perce Tribe; Mr. Lee Grose, Commissioner of Lewis County, Washington; and Mr. Matt Jensen from the American Loggers Council. If you would please take your seat at the dais.

And to introduce this panel, and I am excited about this panel. This hearing is not about a specific piece of legislation, but it is our opportunity to look forward to future legislation based on what we can learn from State, local, and tribal governments. So I think we are going to have some unique perspective here.

Now, to introduce our panel to us, I would like to turn first to Mr. Labrador from Idaho. Two of the witnesses happen to be from your State. And I would appreciate it if you would introduce the Governor and the chairman to us.

Mr. LABRADOR. Thank you, Mr. Chairman. Good morning, and thank you Chairman Bishop and Ranking Member Grijalva for convening this important hearing today.

I would like to welcome two distinguished guests from Idaho. One of them is known to all of us as Governor Butch Otter, who was a Member of the House, and I think also a member of this Committee. And I would also like to welcome Chairman Silas Whitman from the Nez Perce Tribe, who are both testifying at this hearing today.

Mr. Chairman, as you are well aware, State management of our Federal lands is a high priority of mine. In the last Congress I introduced a self-sufficient Community Lands Act of 2012, which would allow the Governor of our State to appoint local boards of trustees to assume management of selected Federal forest acreage. Governor Otter will explain today to the Committee how the State of Idaho has been a great steward of managing the State's lands.

If you compare the State lands in Idaho to the adjoining Federal lands, the difference is astonishing. This fire season speaks for itself. In a record fire year, the entire State of Idaho had 20 percent of the national acres burned. Of that, only 4,674 acres burned on Idaho's Department of Lands.

The Nez Perce Tribe is the steward of over 57 acres of commercial forest land. I would also like to commend Chairman Whitman on their fisheries restoration efforts. As you will hear today, the Nez Perce Tribe is the third largest employer in the Lewiston, Idaho area.

In Idaho, the economies of rural communities once relied upon the timber industry for job creation and tax revenue. Over the last several decades, radical environmental groups have hindered the ability to develop timber from our public lands. Counties that were once dependent upon timber receipts to fund schools, roads, and daily operations were left desolate and broke. As we looked at the reauthorization of county payments, SRS, the House continues to push for firm management of our public lands as a factor in the equation.

I commend the Chairman for his work on this issue, and I look forward to working with you as we advance legislation. And I look forward to hearing from the two witnesses from Idaho today. Thank you very much.

Mr. BISHOP. Thank you, Raúl, I appreciate that. I would also like to recognize at this time Ms. Herrera Beutler, who is here with us. The Commissioner happens to be from the great State of Washington, and I would ask her if she would introduce him to us.

Ms. HERRERA BEUTLER. Thank you so much, Mr. Chairman. I am honored to join this Committee for this very important hearing, and I want to thank Chairman Bishop and Ranking Member Grijalva for allowing me to join.

It is a pleasure to introduce Lewis County, Washington Commissioner Lee Grose.

Mr. BISHOP. You are not on. Nothing personal.

[Laughter.]

Ms. HERRERA BEUTLER. Lewis County, like so many Washington State counties, was once a thriving timber community with thousands of timber jobs. And roughly a dozen mills. And while the county is still doing well, thanks largely to each of its fine commissioners, timber is no longer a major source, in large part, due to the mismanagement of Federal forests.

Commissioner Grose is a proud native of the Northwest, and has spent his entire life in and around our forests. As was mentioned, he is a member of the Washington State Board of Natural Resources. His professional and personal experience gives him the expertise to speak to this issue and its impact not just on our forests, but on the species in our forests, the endangered species, especially the endangered American wage earner.

So, Commissioner Grose, thank you so much for making this trip across the country to speak to us today, and I look forward to hearing your testimony.

Mr. BISHOP. Thank you. And we welcome you as part of the panel. Sorry about the microphone. We just wanted to emphasize when you went into the ESA portion of the speech, so that could be heard definitely.

Mr. Jensen, I am happy to have you here as well. You lost in the draw here, because I am the one who has to introduce you. But it is great. We are going to have three people who manage lands and are responsible for them. You are the one that actually has to work

and live with the management decisions. And it is nice to have somebody from what I consider to be the East. I mean anything east of Fort Collins, to me, is the East. Kansas. Kansas is the East.
[Laughter.]

Mr. BISHOP. But it is nice to have someone from Wisconsin here to illustrate how this is a situation and an issue that transcends the entire Nation. It is not just from those of us who are in the West, from the Rocky Mountain States. So I appreciate all of you being here.

Now, for any of you who have not been here before, to quote former Member Radanovich, the lights in front of you are just like a traffic signal. So when it is green you have the chance of going, when it is yellow you have to speed up, and then when it is red you have to stop.

[Laughter.]

Mr. BISHOP. So that we can get through everything, your entire written testimony is made part of the record. We will now ask that you spend up to 5 minutes giving an oral portion of that testimony to us. And the same thing will happen. When we go through the round of questions, we will also have another 5 minutes per person to ask questions, and we will have as many rounds as we need to give everyone an opportunity of asking a pertinent question.

So, with that, Governor Otter, Butch, C. L., whatever you prefer right here.

Governor OTTER. Butch will do.

Mr. BISHOP. We are happy to have you back here again, where you belong. And thank you for all the hard work you do for the people of Idaho. You are recognized for 5 minutes to elaborate on the written testimony that you have given us.

STATEMENT OF THE HON. C.L. "BUTCH" OTTER, GOVERNOR, STATE OF IDAHO

Governor OTTER. Well, thank you, Mr. Chairman, Ranking Member and members of the Subcommittee. On behalf of the State of Idaho, I am very thankful for this opportunity to share my thoughts with you about how State management of forests is more effective than Federal management, and has the potential to generate much more revenue. It is an honor and a privilege, indeed, for me to be back in the House Resources Committee.

Idaho's total land size is approximately 53.5 million acres, of which the Federal Government owns and manages approximately 34.5 million acres. The Forest Service is Idaho's largest Federal land manager, with approximately 20.4 million acres. And the State of Idaho owns just under 1.3 million acres of forest land, and the private land owners in the State an additional 2.8 million acres.

According to information available from the Forest Service and the Bureau of Land Management, the total volume of saw timber on the Federal forest lands in Idaho equals 167.6 billion board feet of timber. Even though the Forest Service is the largest forest land manager in Idaho, the State and private forest provide over 90 percent of all the wood milled in our State. Timber harvest on Federal lands in Idaho are the lowest that they have been since 1952.

As you can see from this data, the larger forest land manager in Idaho is woefully trailing in its harvest activities. Even more troubling is the amount of forest lands that burn each year. It appears to folks in Idaho that the Federal Government would rather see a valuable resource go up in smoke than harvest it and create much-needed jobs for rural communities in Idaho.

Almost 2 million acres burned in Idaho last year, meaning our State accounted for about 20 percent of the acres burned nationwide. But on the State-protected lands in Idaho, fire occurrences for 2012 was only 44 percent of the 20-year average. And the acreage burned were only about half of the 20-year average.

Current Federal land management processes have resulted in uncertain decision-making, destabilization of resources, dependent communities, deterioration in the environmental quality of Federal lands. In short, the system is broken, and significant changes to these processes are necessary.

With that being said, I am not telling you anything that you don't already know and haven't already said this morning. In fact, the Government Accounting Office reported "The most extensive and serious problem related to the health of National Forest in the interior West is the over-accumulation of vegetation, which has caused an increasing number of large, intense, uncontrollable, and catastrophically destructive wildfires." We must refocus on the desirable outcomes of Federally managed lands.

An idea for improving Federal management was outlined by the Idaho Federal Lands Task Force in 1998 under the leadership of then-Governor Phil Batt. Governor Batt recommended using the trust model, which guides the management of State lands in many of our States. A trust clarifies in absolute terms the fundamental objectives in managing those lands, the beneficiaries and, by extension, the mission and the responsibilities of the trustees and managing agencies. The clarification of mission and objectives is in stark contrast to the Federally administered lands where the mission and objectives for management has been confused and contorted after a century of statutory and regulatory changes, and an unhealthy dose of judicial activism.

A trust consists of three essential elements. First, there must be a tangible property interest. Second, there must be a clear expression of intent, whereby a settlor defines the purpose of the trust. Finally, there must be a beneficiary. A key advantage of a trust is that since it is a legally defined entity, its structure and mission cannot be changed without legal action and significant effort. The mission is clear. The trustee is obliged to manage trust resources for the benefit of the beneficiaries. Mission clarity gives trustees, the trust managers, a well-defined purpose to guide decision-making. It would be inappropriate to suggest an abrupt move to a different management system for Federal lands without first testing the organizational, management, and the results of the system on a smaller scale.

A pilot project would demonstrate in more direct fashion how an alternative approach would be applied on the ground. A National Forest trust could be created through a trust instrument, and executed by the settlor of the trust, the U.S. Congress. The trust instrument would be specific legislation passed by Congress setting

aside a specific National Forest and establishing the intent of the trust, the trustees, and the beneficiaries, as well as the structure of the trust management.

This concept is not new. The trust model is widely used for 135 million acres of land in 22 different States. It is enforceable through fiduciary responsibility of the trustees, managers to beneficiaries, and the managers are accountable to report the financial transactions. There would be a stable source of funding for resource management and local communities without lawsuits and a broad appeal process fomenting uncertainty.

Because it is based upon the principle of clarity, accountability, enforceability, and perpetuity, trust land management may be an effective approach to achieving sustainable resource management. The trust model works well in Idaho and other places for our endowment lands.

In closing, I urge you to take a look at the State management trust model. Congress has provided direction to the Forest Service since the inception of the agency, and it is time for additional direction, certainly redirection. Wildfires are increasing in severity and size. Insects and disease are killing large tracts in our forests. Forest stands are overgrown, and several species are impacted, and communities and commerce are disrupted. Now is the time for positive action, before we lose more of our valuable Forest Service.

Mr. Chairman, and members of the Subcommittee, I thank you for this opportunity to be before you. Thank you.

[The prepared statement of Governor Otter follows:]

**Statement of The Honorable C.L. "Butch" Otter,
Governor, State of Idaho**

On behalf of the State of Idaho, I want to thank Chairman Bishop and the Subcommittee for this opportunity to share my thoughts with you about how state management of forest lands is more effective than federal management and has the potential to generate more revenue. It is an honor and a privilege to be here today.

Idaho's total land size is approximately 53.5 million acres, of which the federal government owns and manages approximately 34.5 million acres.

The USDA Forest Service (Forest Service) is Idaho's largest federal land manager, with approximately 20.4 million acres—about 4.4 million acres of wilderness, 9.3 million acres of inventoried roadless areas and 16 million acres of forest land. The State of Idaho owns just under 1.3 million acres of forest land, and private landowners own an additional 2.8 million acres.

According to information available from the Forest Service and the Bureau of Land Management (BLM), the total volume of sawtimber on all federal forested land in Idaho equals approximately **167.6 billion board-feet of timber** on the 17.2 million acres of federal forested lands administered by those two agencies.

Even though the Forest Service is the largest forest land manager in Idaho, the State and private forests provide over 90 percent of the wood milled in our state. Timber harvests on federal lands in Idaho are the lowest they have been since 1952, and less than 1 percent of national forests are logged nationwide each year.

In 2012, the Forest Service harvested an estimated 100 million board-feet of timber in Idaho. In stark contrast, the State of Idaho harvested 356 million board-feet and private forest owners harvested 634 million board-feet.

Estimates available at this time indicate the Federal government paid approximately \$195 million to suppress wildfires in Idaho in 2012. Nationally, the cost of 2012 fires was approximately \$1.6 billion.

Outside of costs for fire suppression, the BLM and the Forest Service spent approximately \$275 million to manage their lands in Idaho in 2012. The BLM spent approximately \$117 million and the Forest Service spent approximately \$158 million. These numbers do not include the Forest Service's costs associated with research (nearly 100 scientists and employees in Boise, Moscow, and other locations in Idaho), the Forest Service's portion of the National Interagency Fire Center (nearly 100 full-time staff), and other regional office Forest Service employees.

As you can see from this data, the largest forest land manager in Idaho is woefully trailing in its harvest activities. This adds to our concerns because Idaho has some of the most productive forests in the nation. Idaho forests grow 2.3 times more wood than is harvested each year, resulting in overgrown, unhealthy federal forests.

Even more troubling is the amount of forest lands that burn each year. It appears to folks in Idaho that the federal government would rather see a valuable resource go up in smoke than harvest it and create some much-needed jobs for rural communities.

Idaho experienced a historic wildfire season in 2012, bringing the discussion about public land management into sharp focus. The true cost of Idaho wildfires is more than just dollars spent on suppression. It includes impacts on the environment and public health, loss of life and property, and lost opportunities for improving the lives of our citizens through the economic benefits offered by healthy, actively managed forests and rangelands.

There were about 9.1 million acres burned nationally in 2012. Of that, 1.75 million acres burned in Idaho, meaning our state accounted for about 20 percent of the acres burned nationwide, but on state-protected lands in Idaho, fire occurrence for 2012 was only 44 percent of the 20-year average, and the acres burned were only about half of the 20-year average.

Current federal land management processes have resulted in uncertain decision making, destabilization of resource-dependent communities, and deterioration in environmental quality on federal lands. It also is important to bear in mind that the activities of some environmental groups greatly exacerbate this problem. In short, the system is broken, and significant changes to these processes are necessary.

With that being said, I am not telling you anything you don't already know. In fact, the Government Accounting Office reported (in GAO-RCED-9965) "The most extensive and serious problem related to the health of national forests in the Interior West is the over-accumulation of vegetation, which has caused an increasing number of large, intense, uncontrollable, and catastrophically destructive wildfires."

We must refocus on the desirable outcomes of federally managed lands. Those outcomes include maintaining and enhancing proper environmental stewardship; enhancing fish and wildlife habitat; promoting community stability and resiliency; stabilizing land management agency budgets; improving certainty and accountability with resource management decisions; and managing federally administered lands in a fiscally responsible manner.

One of the primary problems leading to gridlock in the management of federally administered lands is the complex array of statutes and regulations, some of which conflict. Some modification of these mechanisms is needed to clarify the purpose and enhance effective outcomes. But by the same token, these agencies have not utilized the tools that Congress has provided through initiatives like the Healthy Forests Restoration Act.

Long-term leasing of federal lands could be extended greatly, not only as it has been done for mineral leasing, but also for other commercial uses such as logging. The State of Idaho has lengthened its maximum lease terms from 10 years to 20 years.

Another idea for improving federal management was outlined by the Idaho Federal Lands Task Force in 1998 under the leadership of then-Governor Phil Batt. Governor Batt recommended using the "Trust Model," which guides the management of state lands in many states. A trust clarifies in absolute terms the fundamental objectives in managing those lands, the beneficiaries and, by extension, the mission and responsibilities of the trustees and managing agencies. The clarification of "mission" and "objectives" is in stark contrast to federally administered lands where the mission and objectives for management have been confused and contorted after a century of statutory and regulatory change and an unhealthy dose of judicial activism.

A trust consists of three essential elements. First, there must be a tangible property interest. Second, there must be a clear expression of intent whereby a settlor defines the purpose of the trust and "manifests an intention to impose duties which are enforceable in the courts." Finally, there must be a beneficiary—an entity delineated by the settlor as the recipient of the benefits of the trust. A key advantage of a trust is that, since it is a legally defined entity, its structure and mission cannot be changed without legal action and significant effort. This provides stability in planning and decision making, and is a necessary element of the foundation of long-term resource management.

The mission is clear. The trustee is obligated to manage trust resources for the benefit of the beneficiary. Mission clarity gives trustees and trust managers a well-defined purpose to guide decision making. The clarity of the trust mission significantly differs from the existing process of uncertain and often conflicting objectives

and goals leading to the cumbersome and often delayed federal land management decision making.

It would be inappropriate to suggest an abrupt move to a different management system for federal lands without first testing the organization, management and result of that system on a smaller scale. A pilot project could demonstrate in a more direct fashion how an alternative approach would be applied on the ground.

The development of a trust pilot project would require delineation of the elements of the trust, as well as the trustee and trust managers.

A "National Forest Trust" could be created through a trust instrument and executed by the settlor of the trust, the U.S. Congress. The trust instrument would be specific legislation passed by Congress setting aside a specific national forest, and establishing the intent of the trust, the trustees, the beneficiaries, as well as the structure for the trust management.

This concept is not new. The Trust Model is in widespread use—135 million acres of state land in 22 states. There is clarity of mission. Perpetuity principle enhances sustainable resource management to conserve the principle assets of the fund. It is enforceable through fiduciary responsibility of trustees and managers to beneficiaries, and managers are accountable to report financial transactions. Public involvement opportunities are the same as under the current situation. There would be a stable source of funding for resource management and local communities without lawsuits and broad appeal processes fomenting uncertainty.

Because it is based on principles of clarity, accountability, enforceability and perpetuity, trust land management may be an effective approach to achieving sustainable resource management. The "Trust Model" works well for Idaho's endowment lands. We have a sustainable, healthy resource on State lands which provides income for the public school children and the eight other beneficiaries of the trust.

In closing, I urge you to take a look at the state management trust model. Congress has provided direction to the Forest Service since the inception of the agency, and it is time for added direction—certainly redirection. Wildfires are increasing in severity and size; insects and disease are killing large tracts in our forests; forest stands are overgrown and seral species are impacted; and communities and commerce are disrupted. Now is the time for positive action before we lose more of our valuable forest resources.

Mr. Chairman and members of the Subcommittee, thank you for your time and careful consideration of this critical issue.

Mr. BISHOP. Thank you, I appreciate that. Chairman Whitman, we appreciate you being here. Same thing. If we could hear your oral testimony, I would appreciate it at this time.

Mr. WHITMAN. Mr. Chairman, I don't know if Butch's time overlaps with mine. I only have 3 minutes?

[Laughter.]

Mr. BISHOP. Can you pull the microphone closer to you so we can hear you?

**STATEMENT OF THE HON. SILAS WHITMAN, CHAIRMAN,
EXECUTIVE COMMITTEE, NEZ PERCE TRIBE**

Mr. WHITMAN. Thank you, Chairman Bishop and members of the Subcommittee on Public Lands and Environmental Regulation. I am Silas Whitman, Chairman of the Nez Perce Tribal Executive Committee, Nez Perce Tribe. I appreciate this opportunity to provide a brief testimony on the key understanding or underlying issue of this hearing, the States' potential management of National Forest lands.

All of us who share in management in Idaho in our own forest and range lands, of course, from private companies to sovereigns like the State of Idaho and Nez Perce Tribe, we have valuable lessons to share about how we manage our lands to produce the desired and mandated outcomes. Sometimes the outcomes are profits, shareholders, jobs, money to support schools. In any event, we manage our lands to produce jobs and revenue.

More importantly, we manage our lands to benefit fish and wildlife habitat, healthy ecosystems. Balancing these multiple interests is difficult. It becomes a choice of providing social service and employment for members or protecting fish and wildlife habitat. That is not a tradeoff we are willing to make. We found that to avoid being forced to sacrifice one issue over another is to find ways to diversify, economically. Among my people and our traditions, there are no in-betweens. The left, right, plus, minus, positive, negative.

We encourage that, among our rural communities within our reservation lands, that we have seen opportunities to work with the Tribe through our enterprises, our fisheries, watershed, and natural resources, that what we administer has allowed us to become the third-largest employer in our region, next to Clearwater Paper and the regional medical center.

However, as land resource managers, we all have ideas and suggestions on the ways the Nation's public lands might be strategically managed to achieve the Nation's mandates. In addition, we do have a relationship, through the Nation's public lands, that pre-dates existence of the United States itself.

We are the only Federally adjudicated Tribe in the State of Idaho, 13 million acres traditional homeland. Within that, those reserved rights that the United States has secured to the Tribe, these allow us the ability of doing the exercises that we have, and the United States honors that in the case of the forest lands through the U.S. Forest Service, as it carries out its mission.

The notes that I have are cogent to all that, as I have seen and heard that the Nez Perce Tribe is naturally concerned on any proposals made that could adversely affect these treaty activities within the National Forest, whether we are fishing, hunting, gathering plants, firewood, pasturing animals, et cetera.

Indian Tribes in general with this same kind of relationship rely on the fact that they have a treaty-based, legally established fiduciary relationship with the United States and its Federal agencies. These are obligations the United States cannot subcontract away. The United States, in its treaty-based fiduciary relationship with Indian Tribes must recall that these rights are reserved and were reserved, and secured to the Tribes, in consideration for the United States obtaining, essentially, all of the lands that make up the western United States, public and private. That includes the 13 million acres that the Nez Perce had secured and is Federally adjudicated.

The Tribe does not disagree with the testimony of others here today. To the extent that they question the strategic land management decision of the U.S. Forest Service. Where we respectfully differ is with the proposal that any Federal land management could or should be transferred to State control is that is also part of the United States heritage that the citizens enjoy.

We first hold responsibility for management in care of these lands. They should be addressed through national dialogue. And for us, that has been something that we have worked closely with Senator Crapo from Idaho on what is called the Clearwater Basin Collaborative, where we have, with a dialogue, combined representatives of sovereigns, the industry, and the public, and we have ad-

vanced our efforts to incorporate all the resources and all of us having a hand, both hands, in these resources.

In the end we consider the co-management of opportunities for our National Forests. Indian Reserve treaty rights must be respected as a baseline for legal primacy, and that we be included in any co-management or discussions and/or resolution to that issue.

With that, Mr. Chairman, I know that we have the technical staff available to us that is beyond compare. We would have the appreciation of going through that, and if we had more time we could get into specifics on a technical level. Thank you, Mr. Chairman.

[The prepared statement of Mr. Whitman follows:]

**Statement of The Honorable Silas Whitman, Chairman,
Nez Perce Tribal Executive Committee**

Thank you, Chairman Bishop and members of the Subcommittee on Public Lands and Environmental Regulation. I am Silas Whitman, Chairman of the Nez Perce Tribal Executive Committee. I appreciate this opportunity to provide brief testimony on what is the key underlying issue of this hearing: potential state management of National Forest lands.

All of us who manage our own forests and rangelands—from private companies to sovereigns like the State of Idaho and the Nez Perce Tribe—have valuable lessons to share about how we manage our lands to produce desired—and mandated—outcomes. Sometimes those outcomes are profits for shareholders in the case of private lands, or jobs and money to support schools in the case of state lands. The Nez Perce Tribe manages its lands to produce jobs and revenue for all forms of social services. But just as importantly, we manage our lands to benefit fish and wildlife habitat and healthy ecosystems. Balancing multiple interests is difficult, but the Tribe rejects the concept of a “zero sum” competition between providing social services and employment for our members and protecting fish and wildlife habitat. We’ve found that to avoid being forced to sacrifice one interest for another is to find ways to diversify economically. That too has been difficult, and we appreciate the understanding and support that Governor Otter has offered our efforts. We are encouraged that many of our neighbors in the rural communities in and around the Nez Perce Reservation have come to see the opportunities that exist to work with the Tribe—through our enterprises, our fisheries, watershed, and natural resources work, and the grants and contracts we administer. We are the third largest employer in the Lewiston, Idaho, area—behind Clearwater Paper Co. and the ATK corporation.

As managers of our own lands, we all have ideas and suggestions on ways the nation’s public lands might be strategically managed to achieve the nation’s mandates. In addition, the Nez Perce Tribe has a relationship with what are today this nation’s public lands that predates the existence of the United States itself. Further, the Nez Perce Tribe reserved rights—that the United States also secured to the Tribe—in its 1855 Treaty that the Tribe exercises on these public lands. These rights are also the foundation for the Tribe’s role as a co-manager of its Treaty resources. We are committed to ensuring that the United States honors its Treaty obligations as it manages the nation’s public lands, and we have assumed an active role on the ground with the Forest Service as it carries out its mission.

For thousands of years, the Nez Perce people—*Nimiipuu* in our language—occupied a geographic area encompassing a large portion of what is today the inland Northwest United States. The territory occupied exclusively by the Nez Perce, over 13 million acres, stretched from the continental divide forming the present border between Idaho and Montana, to the Blue Mountains of northeast Oregon and southeast Washington. To give you an idea of the breadth of the even larger area our people utilized, this ranged from Celilo Falls on the Columbia to buffalo country in present-day Montana and Wyoming.

Under the 1855 Treaty between the Nez Perce Tribe and the United States, the Tribe ceded to the United States aboriginal title to land encompassing most of present day Northeast Oregon, Southeast Washington and Central Idaho. Treaty with the Nez Perces, June 11, 1855, Article I (12 Stat. 957). In Article II of the Treaty, the Tribe reserved at that time an exclusive Reservation homeland over much of the same area.

Significantly, in Article III of the 1855 Treaty, the Tribe in key consideration for the land cession, reserved, “[t]he exclusive right of taking fish in all the streams where running through or bordering said reservation . . . also the right of taking fish at all usual and accustomed places in common with citizens of the Territory; and of erecting temporary buildings for curing, together with the privilege of hunting, gathering roots and berries, and pasturing their horses and cattle upon open and unclaimed land.” The subsequent 1863 Nez Perce Treaty with the United States reduced the size of the land reservation but otherwise preserved the 1855 Article III reserved rights. Preface and Article VIII (14 Stat. 647). The Nez Perce Tribe and its people continue to exercise their 1855 treaty-reserved rights, and to monitor, engage and co-manage cultural and natural resource issues, throughout Nez Perce treaty territory in the inland Northwest.

These facts are relevant here today because the Nez Perce people particularly exercise their treaty-reserved rights—and have a role as co-managers—on all of the National Forests lying within our aboriginal territory and all of the National Forests where we retain treaty-reserved rights. This includes eleven (11) National Forests—in Oregon, Washington, Idaho, Montana, and Wyoming. It is well-established law that our treaty-reserved rights to use resources on “open and unclaimed lands” apply to U.S. National Forests. E.g., *State of Idaho v. Arthur*, 74 Idaho 251, 261 P.2d 135 (1953) cert. denied, 347 U.S. 937 (1953). The U.S. Constitution in turn provides that United States treaties, such as the 1855 Nez Perce Treaty, are “the supreme law of the land.” U.S. Const., Article VI.

With this history and these long-held interests, the Nez Perce Tribe is naturally concerned when any proposal is made that could adversely affect the treaty-reserved activities of its members within U.S. National Forests—whether fishing, hunting, gathering plants or firewood, or pasturing animals. Indian tribes rely on the fact that they have a treaty-based, legally-established fiduciary relationship with the United States and its federal agencies. These are obligations the United States cannot subcontract away. The United States, in its treaty-based fiduciary relationship with Indian tribes, must recall that these rights were reserved—and secured to tribes—in consideration for the United States obtaining essentially all of the lands that now make up the Western United States, public and private.

The Tribe does not disagree with the testimony of others here today to the extent they question strategic land management decisions of the U.S. Forest Service. Where the Tribe respectfully differs is in any proposal that federal land management decisions could or should be transferred to state control. Federal public land, whether National Forest, National Park, or BLM range, is a part of the national heritage of all American citizens, across all states. It is the United States, through its executive agencies, that therefore should hold first responsibility for management and care of these lands. If there are strategic problems, they should first be addressed through the national dialogue that guided by our federal constitutional process, however messy that may be at times. Mindful of these national mandates, Senator Crapo’s championing of the Clearwater Basin Collaborative, which includes representatives of sovereigns, industry, and the public, has helped this dialogue advance at a regional level with respect to the Clearwater-Nez Perce National Forest.

If in the end there are carefully considered co-management opportunities for our National Forests, Indian treaty-reserved rights—as a baseline—must be respected for the legal primacy they hold. And Indian tribes themselves must be included in any co-management discussion and resolution. The Tribe looks forward to a discussion of the natural land management role the Nez Perce Tribe—or other tribes in other areas—will play. The National Forests are lands Indian tribes and their technical staff know as well as anyone in the nation, and their management participation—under any federal co-management scenario—must be acknowledged.

The Tribe is humble about the on-the-ground work we do on the National Forests and our accomplishments. It should be understood, though, that the Tribe—working with the Bonneville Power Administration—brings more watershed and fisheries restoration funding to the National Forests in our area than any other entity including the Forest Service itself. We have received national awards for our work in restoring fisheries habitat on National Forest lands, and have partnered with the Forest Service in monitoring big horn sheep and other wildlife to assist the Forest Service in managing these lands for these species. These are successes for the resources, for jobs, and most of all are successes for all who have an interest in the nation’s public lands.

I thank you again for the opportunity to provide testimony and for your time and consideration of this statement.

Mr. BISHOP. Thank you. I appreciate it.

Commissioner Grose.

**STATEMENT OF THE HON. F. LEE GROSE, COMMISSIONER,
LEWIS COUNTY, WASHINGTON**

Mr. GROSE. Good morning, Chairman Bishop and Ranking Member Grijalva, members of the Subcommittee. I am Lee Grose, Lewis County, Washington, Commissioner. Last year I gratefully accepted the election of my peers across Washington State to represent them on the Washington Board of Natural Resources, or the BNR. I am also a private land owner who owns some timber land, and I harvest timber off of that land and manage it effectively, being able to take 3 different cuttings off of that 40-acre piece of land in the last 10 years, and still have timber growing.

But the BNR is made up of representatives of the beneficiaries of various trusts that are administered and managed by the Department of Natural Resources in Washington State. It is in the interest of the BNR to maintain a sustainable, vibrant forest industry to allow for reliable, consistent flow of revenue to the trusts.

In its role as manager of these trusts, the Washington Department of Natural Resources oversees 3.2 million acres of land, of which 2.1 to 2.2 million acres is forest land. In 2011, this forest land yielded around 679 million board feet of timber and raised \$220 million to the trusts. The average price received per thousand board feet was \$308. And only about 32,000 of the 2.1 million acres was harvested. In other words, referring to Representative Hastings's comments, less land was harvested in timber than was burned in one fire.

Sixteen thousand six hundred acres were planted with 200 to 300 trees per acre for future harvest. Of this revenue generated, 75 to 79 percent went directly to the trusts, the other 21 to 25 percent being used for the overhead to pay for the operation.

In stark contrast, the U.S. Forest Service is responsible for 9.3 million acres of forest land in Washington State. And in 2010, 129 million board feet was harvested with revenue of roughly \$638,000. Comparison: 670 million board feet, \$220 million, 129 million board feet, \$638,000. The Gifford Pinchot National Forest, where I live, is a good case in point. In 2010, 22 million board feet of timber, including firewood, harvested on the 1,320,000 acres. I had been told that they hoped to harvest 30 million board feet this year, still way below the 50 million board feet recognized by the Northwest Forest Plan. Fifty million board feet would be harvested on approximately 1,700 acres of land, using the Washington State model. This, in a forest that produces, by very conservative estimates, 1.3 billion board feet a year.

On a national scale, the 193 million acres of land under the management of the U.S. Forest Service produced \$180 million a year, less than \$1 per acre. Yet the budget for the Forest Service was over \$2.3 billion. As overseers of Washington State's timberland, the BNR is very conscious of its responsibilities to the environment. The Department of Natural Resources is signatory to a 70-year Habitat Conservation Plan to ensure compliance with the Endangered Species Act. Rather than placing an age on old growth, as many have in the past, the BNR uses a definition of very large

diameter structurally unique trees to meet the retention requirements of our HCP.

In fact, the controversy over old growth is moot for several reasons; one, there is a huge fear of litigation; two, old growth, in general, are too large for most existing bills any more; and three, there is a good supply of trees in the 40 to 60-year range that are available for harvest.

Healthy forests provide us with an added benefit, as they are a major medium for carbon sequestration, widely believed to be maximized in trees up to 80 years old.

Fire suppression is another key difference between State and Federal management. The Forest Service has used what I would call passive management of fire suppression, whereas the State uses active management that is actually trying to put the fires out. The cost of passive management on just one 18-acre fire that I know of cost over \$10 million last year.

In conclusion, the Washington State Forest Management model has the capability of providing a reliable source of revenue to various beneficial entities which now receive Federal funds in the form of Secure Rural Schools payments. This model could eliminate the need for other budgetary considerations from Congress by cutting administrative costs, providing for better management of our national forests, and yielding more timber on a long-term basis, and providing for more revenue for our local, State, and National budgets.

Thank you very much for the opportunity to speak with you today, and I look forward to hearing your legislation.

[The prepared statement of Mr. Grose follows:]

**Statement of The Honorable F. Lee Grose, Commissioner,
Lewis County, Washington**

Good Morning, Chairman Bishop, Ranking member Grijalva and members of the committee. My name is Lee Grose and I am a County Commissioner from Lewis County, Washington. Last year I was grateful to be elected by my peers from across Washington State as a member of the Board of Natural Resources which oversees the trust land responsibility of the Washington State Department of Natural Resources (DNR).

I own a small tree farm in the midst of the Gifford Pinchot National Forest in the heart of the Cascade Mountains where conifers grow like weeds. I live here to fully appreciate my "little piece of heaven" as a colleague termed my property. Over the last 10 years, I have personally done three different phases of harvest from a selective cut to a pre-commercial thinning project to a damage harvest from a wind storm. I appreciate the opportunity to appear before you today on behalf of the timber counties of Washington State and their trust relationship with the Department of Natural Resources.

The Washington State Department of Natural Resources (DNR) is responsible for the administration of roughly 2.1 million acres of working forests.

DNR has administrative responsibility over these lands and provides for a fiscally responsible continued yield program of sustainable tree harvests.

In 2011, state trust lands yielded a harvest of 560 million board feet (MMBF) of timber which generated \$220,000,000 in revenue from 2.1 million acres of land managed on behalf of the trusts.

By contrast, National Forest lands in Washington yielded 129 million board feet (MMBF) generating revenue of only \$638,000 on 9.3 million Acres or one fifth of what the state produced on a quarter of the land base.

Stated differently, the state produces 500% more actual timber revenue on less than one quarter of the land base of that held by the U.S. Forest Service. Again, 9.3 million acres of federal land compared to 2.1 million acres of state land.

This comparison is even more striking when you look at the relative dollars generated per board foot; that is \$308 per MBF on state land vs. \$5.00 per MBF on Forest Service Land.

The U.S. Forest Service is woefully behind the state in both timber produced and dollars generated. Any thought that current federal land management practices could provide levels of harvest which would provide revenue to support local governments or schools and universities is folly. The Forest Service would do well to follow the state's lead in order to help sustain local economies particularly in our rural communities and provide revenues for Secure Rural Schools (SRS) funding by the Congress. Congress, by legislation, should require the Forest Service to follow the state of Washington's management model.

For example, the Gifford Pinchot National Forest, in an extremely conservative estimate, allows for a harvest of around of 300 MMBF per year of timber even though it has been scientifically verified that the actual growth in the forest is well over one billion board feet per year. Yet, the Northwest Forest Plan provides for a harvest level goal on the Gifford Pinchot National Forest (1,348,000 total acres of forest land) of only 50 MMBF. As of 2010, actual cuts by the Forest Service in the Gifford Pinchot were only 22 MMBF harvested and that includes non-traceable firewood permits, and the Forest Service doesn't even know whether those permits were ever used or the wood removed.

This bears repeating:

- This Gifford Pinchot National Forest is capable of producing 300 MMBF of timber per year;
- The Northwest Forest Plan goal is to cut 50 MMBF every year (or one sixth of what the forest actually grows);
- We are actually only cutting 22 MMBF including firewood;
- The Forest Service says it would like to increase cuts to 30 MMBF;
- Look at the lost potential of this National Forest!
- All of this is symptomatic of a national embarrassment when compared to what the state of Washington DNR is actually accomplishing.

Here's the most damning statistic of all:

The entire U.S. National Forest system consists of 193,000,000 acres and in 2011 produced a paltry \$180,000,000. This is less than \$1 per acre of revenue to the Federal Treasury—when potentially these forests across America could produce thousands of dollars per acre for taxpayers.

Last year the Forest Service budget was \$2.3 billion dollars while it cut a measly 2 billion BF of timber. Twenty years ago the Forest Service budget was roughly half of last year's and its' timber sale program produced 14 billion BF of timber.

This 20 year collapse is depriving Congress of the revenues needed to operate and manage the National Forest system. Moreover, it deprives local forest communities of the best source of funds to develop vibrant economic opportunities or at least it deprives Congress of the revenues needed to fund the SRS until the day comes when we once again have active National Forest Management modeled after the successful program which our state operates. It is obvious and it is a national disgrace!

I am not proposing that we harvest the equivalent amounts but were the national forests managed in the same manner as we do with the state forests, the yield would potentially be even greater since the state is so much more efficient than the Forest Service.

Forest harvests by the Department of Natural Resources under the direction of the Board of Natural Resources comply with the the same environmental laws under which the federal forests operate. The Department is signatory to a 70 year all species Habitat Conservation Plan with the federal agencies providing for "incidental take." The resource is managed with best practices again with the goal of meeting their fiduciary responsibilities while maintaining a sustainable harvest yield. In some cases, as now with the Marbled Murrelet, the DNR has stood beside the federal agencies in litigation. We appreciate this partnership and fully expect it to continue well in to the future.

In addition to the harvest responsibility, the DNR also is cognizant of their obligation to replace what has been harvested. They have thus implemented an aggressive replanting scheme which insures further that the sustainable harvest goals that have been established will continue well in to the future. We continue to think of our timber as a renewable cash crop.

The issue of timber harvests cannot be considered without speaking about old growth timber. The once thought threat of harvest of old growth has long since been virtually forgotten for several reasons. First, no one wants to go through the ensuing inevitable litigation that would occur if harvesting old growth was even considered. Second, there are few mills in the Northwest that could even cut trees of that size; most have a 24" to 32" maximum diameter size limitation. Third, there is an

ample supply of timber in the 40 to 60 year old range that is readily available for harvest which provides the mills that are left with just the right size of logs. In short, there is really no desire to harvest old growth as was once the case. The DNR uses a definition of “very large diameter (60–90 inches or larger), structurally unique trees” and uses that to provide for retention to meet the requirements of the Habitat Conservation Plan.

While definitions of what constitutes old growth vary greatly, historically many have believed that a good mark was 250 years old. Regardless of the age, the fact is that the lack of active management has undisputedly led to a mono-culture forest structure and we are not replicating the historic multi-culture forests of cedar, Sitka spruce and other varieties which make for a healthy, vibrant forest. We’re not doing any management of this kind on federal lands and they are not only a fire hazard, but a national embarrassment.

Those of us who are sensitive to the environmental concerns of harvesting timber from the federal lands should know that timber producers share this ethic. I live where I live because of my love for the out of doors and trees in general.

Environmentally speaking, trees reach a peak of carbon sequestration at an age of approximately 60–80 years. This is especially important with the emphasis on global warming and CO₂ emissions since trees are a major absorptive medium for carbon sequestration. Younger, healthier forests will provide us with more CO₂ sequestration than older, mature forests. We need to strive to make our forests healthier with a health benefit to all.

Until the last few years, it is my understanding that the Forest Service has used roughly one-half of its’ budget for fire suppression. While the fire suppression was removed from the Forest Service budget in the FLAME Act, it was subsequently restored as part of the Forest Service budget during the Budget Control Act. Fire suppression was allocated \$1.9 billion in the budget and then received another \$400 million from other programs.

The DNR also budgets fire suppression and this is one area that is funded by the state general fund. In 2011, \$22 million was allocated in this area. Just one 18 acre fire on the Gifford Pinchot Forest last year exceeded \$10 million in suppression costs which was mainly monitoring to make sure the fire didn’t spread too far. There is a totally different philosophy between the two when it comes to this subject. The DNR, again in its’ fiduciary role, uses what I would call active suppression to eliminate the fire. The Forest Service uses a “let it burn” philosophy. It is particularly bothersome that the DNR seems to spend less under their philosophy than does the Forest Service.

The administration of the trusts under the Washington Board of Natural Resources has proven to be an effective business model. Through this model, between 75% and 79% of the total funds generated are returned to the various trusts; the balance being used for the administration of the program. With budgets being what they are in the current economic climate, this revenue has been extremely important to those entities who receive money from this source. The potential to use this model on the federal forest landscape is, I believe, very real and would make the forests financially viable for future generations while providing for multiple uses as envisioned by President Roosevelt. And while many of those uses have changed as our technology and leisure time activities have evolved, the desire to harvest our timber crop is just as vibrant today.

A new model could provide a reliable revenue source to various entities which now receive federal funds in the form of Secure Rural Schools payments. Finally, let me restate my main point which is that following the state model would cut administrative costs, yield more timber and provide badly needed additional revenue to the federal budget at a time we need it the most.

Thank you for this opportunity to speak today.

Mr. BISHOP. Thank you, Commissioner.
Mr. Jensen.

**STATEMENT OF MATTHEW JENSEN,
AMERICAN LOGGERS COUNCIL**

Mr. JENSEN. Chairman Bishop and distinguished members of the Subcommittee, my name is Matt Jensen. I am a third-generation logger who has worked in the forest industry and been self-employed for the past 26 years. To support and grow our small family business, I have been educated and trained on sustainable forestry

practices, incorporating guidelines and Wisconsin's best management practices. I am a Wisconsin-certified master logger and appear before you today representing Whitetail Logging, the name of my company.

Whitetail Logging is a full-service management business located in Crandon, Wisconsin. Between my father, Pete, and I we have over 70 years experience in forestry and the logging business. I also appear today on behalf of the American Loggers Council, a national organization representing professional timber harvesters in 30 States across the U.S. I am pleased to have the opportunity to address the Subcommittee on differences and inefficiencies and the scope that exists between county, State, and Federal timber programs in Wisconsin, particularly as they pertain to contractual and on-the-ground compliance. And how those differences impact my business and the businesses the American Loggers Council represents across the U.S.

I would like to share an excerpt from the Wisconsin Department of Natural Resources Timber Sale Handbook. It says, "Timber sales often involve large sums of public money, as well as the ethics of good forest management. Those who are delegated authority to establish, conduct, and approve timber sales have a legal and moral responsibility to the public to obtain maximum financial return for the forest land, and to establish the best forest practices possible."

Another excerpt, "Money generated from timber sales does not remain with State forests, but is put into a general forestry account for the State of Wisconsin. This account supports forest management activities such as fire control, nursery operations, forest initiatives, and many others." In 2012, Wisconsin State Forest generated over \$6 million, just to support these activities.

The Wisconsin County Forest Program, which is under the guidance of the State of Wisconsin, is unique to the Nation; 29 counties in Wisconsin have nearly 2.4 million acres of public forest. These county forest lands generated over \$37 million in revenue through sustainable forest management practice in 2012. This revenue directly offsets local tax levies, enabling counties to provide essential services.

In comparison, in 2010, during a visit to Washington, D.C., the American Loggers Council's representatives met with the U.S. Forest Service Chief Tidwell in his office. We were told by the Chief that the Forest Service is not in the business to make money. I completely understand the philosophy behind this statement, the U.S. Forest Service's task under the Multiple Use Sustainable Yield Act is to provide goods and services benefitting the public at the possible expense of generating a profit. However, what I fail to understand is the apparent lack of realization regarding a generation of revenue for reinvestment in the forest, ensuring the forest itself does not become another economic burden on our economy.

When comparing the statements from the DNR Timber Sale Handbook to operating policies of the Federal timber sale program, it is apparent Wisconsin counties and the State of Wisconsin timber programs recognize the economic importance of a viable, sustainable timber program, whereas the U.S. Forest Service displays a lack of concern regarding the provision of a financial return. Wisconsin's Chequamegon-Nicolet National Forest harvests less than

50 percent of its allowable sale quantity identified in its management plan.

The table attached in my written testimony listed as Exhibit B compares timber sales across the eight-county region in Wisconsin. While the counties manage 669,000 acres compared to the Chequamegon-Nicolet's 1,530,000 acres, the 9-year annual return was \$12.01 per acre on the county and State forests, versus \$3.62 per acre on the Federal forests.

During the past decade, Wisconsin businesses that operate right within the borders of the Chequamegon-Nicolet National Forest have been forced to import logs and material, raw material from Canada, to meet demands while harvests decline in the Chequamegon-Nicolet. This example fully illustrates the Federal Government's failure to meet the agreements of local governments.

Of the 193 million acres across the country in the National Forest system, 23 percent of the National Forest lands are open to active management and are continuously litigated under a very high level of scrutiny from environmental advocacy groups. Timber harvests from Federal lands have declined more than 80 percent in the last 2 decades.

Directly related to the lack of timber management is the rising cost of fire suppression. Currently, the U.S. Forest Service spends \$2 billion annually on wildfire control, which is over 50 percent of the Forest Service budget.

And I believe my time is up. Thank you.

[The prepared statement of Mr. Jensen follows:]

Statement of Matthew Jensen on behalf of the American Loggers Council

Chairman Bishop and distinguished Members of the Subcommittee on Public Lands and Environmental Regulation, my name is Matt Jensen. I am a third generation logger who has worked in forest industry for the past 26 years. To support and grow our small family business I have been educated and trained on sustainable forestry practices incorporating guidelines of Wisconsin's Best Management Practices. I am a Wisconsin Certified Master Logger and appear before you today representing Whitetail Logging. Whitetail Logging is a full service forest management business, located in Crandon, Wisconsin. Between my father Pete and I, we have over 70 years experience in the forestry and logging business.

I also appear today on behalf of the American Loggers Council, a national organization representing professional timber harvesters in 30 States across the U.S. I am pleased to have the opportunity to address this subcommittee on the differences in efficiencies and scope that exist between County, State and Federal timber sale programs in Wisconsin, particularly as they pertain to contractual and on-the-ground compliance and how those differences impact my business and the businesses the American Loggers Council represents across the U.S..

I would like to share with you an excerpt taken directly from the Wisconsin Department of Natural Resources Timber Sale Handbook:

"Timber sales often involve large sums of public money as well as the ethics of good forest management. Those who are delegated authority to establish, conduct and approve timber sales have a legal and moral responsibility to the public to obtain maximum financial return from forest land and to establish the best forest practices possible."

And taken from the website of the Wisconsin DNR regarding the timber sale program on state forests:

"Money generated from timber sales does not remain with the state forests, but is put into a general forestry account for the State of Wisconsin. This account supports forest management activities such as fire control, nursery operations, forest health initiatives, and many others." In 2012 Wisconsin's State Forests (nearly 527,000 acres) generated over \$6 million to support those activities.

Wisconsin's County Forest Program is "Unique to the Nation". Twenty-nine counties in Wisconsin have nearly 2.4 million acres of public forests enrolled under Wisconsin's County Forest Law (State Statutes §28.10 and 28.11). These county forest lands generated over \$37 million in revenue through sustainable forest management practices in 2012. This revenue serves to directly offset local tax levies enabling counties to provide essential services.

In comparison, during a 2010 visit to Washington D.C., American Loggers Council representatives met with U.S. Forest Service Chief Tidwell in his office. We were told by the Chief "the Forest Service is not in the business to make money." I completely understand the philosophy behind that statement; the U.S. Forest Service is tasked under the Multiple Use Sustained Yield Act to provide goods and services benefiting the public at the possible expense of generating a profit. However, what I fail to understand is the apparent lack of realization regarding the generation of revenue for reinvestment in the forest, ensuring the forest itself does not become another economic burden to our economy.

When comparing the aforementioned broad statements from WDNR's Timber Sale Handbook to operating policies of the Federal Timber Sale program, it is apparent Wisconsin's Counties and the State of Wisconsin recognize the economic importance of a viable, sustainable timber sale program whereas the USFS, as an arm of our federal government, displays a lack of concern regarding the provision of a financial return to ensure sustainable management of the public's forests. Wisconsin's Chequamegon-Nicolet National Forest (CNNF) harvests less than 50% of the Allowable Sale Quantity (ASQ) identified in its approved management plan.

The table attached in my written testimony, listed as "Exhibit B" compares the timber sales across the eight county region in Wisconsin to the timber sales generated off of the Chequamegon-Nicolet National Forest. While the counties manage a total of 669 thousand acres compared to the Chequamegon-Nicolet's one million five hundred and thirty thousand acres, the counties managed to bring in a nine year annual return per acre of \$12.01 while the CNNF generated a nine year average of \$3.62 per acre.

During the past decade northern Wisconsin businesses, such as, Nicolet Hardwoods, Action Flooring, and North Country Lumber, all located within the borders of CNNF, have been forced to import hardwood logs from Canada to meet market demands while harvests decline on CNNF. This example fully illustrates the federal government's failure to meet original agreements with local governments to provide a steady, reliable source of raw material from our national forests while protecting and ensuring the sustainability of those forests through proper management.

I need markets to drive competition for the goods and services my company provides. Without certainty the U.S. Forest Service can provide the amount of raw material identified as the ASQ in the approved management plan for the CNNF, investment in new infrastructure and milling capacity is diminished. We need a vibrant federal timber sale program to encourage investment in those businesses and communities that are dependent on national forest lands as a source of supply.

To be a profitable business owner it is necessary for to generate a reasonable rate of return on investment. County and State sales offering a good mix of high quality saw logs along with a pulpwood component, thus meeting existing market demands, help make that possible. The harvesting of those products on State and County lands in Wisconsin not only improves forest ecosystem health, but also allows me to keep my production efficient, and products produced at a financially sustainable level providing jobs and economic stability to my area.

As an example of inefficiency I would like to show you samples of timber sale contracts from the WI County, WI State and USFS Federal Timber Sale programs. The size of contracts on federal timber sales alone can act as a deterrent to for receiving competitive bids on a timber sale. Oversight on the federal timber sale program has become an unjustifiable burden where it takes this type of documentation to award a federal timber sale versus the state contracts and the county contracts.

Of the 193 million acres across the country in the National Forest System, only 46 million acres are designated as having a "timber objective." The 23% of the NFS lands open to active management have been subject to a continuous and very high level of scrutiny by environmental advocacy groups. Timber harvests from federal lands have declined by more than 80% over the last two decades. These declines have devastated rural communities where sawmills and paper mills provided some of the only stable, year-round employment. Many mills, large and small, have been forced to close their doors resulting in the loss of thousands of family jobs, coupled with tens of thousands of indirect jobs lost, including an estimated 30% reduction in logging businesses. Directly related to the lack of timber management is the rising cost of fire suppression. Currently the USFS spends over \$2 billion annually on wildfire control which is over 50% of the Forest Service budget.

Regulatory burden placed on the USFS from environmental laws have resulted in passive management on a grand scale, which has numerous negative impacts on forests and local economies.

A trust management approach on USFS lands designated for timber production would focus on the small portion of the National Forest System which, according to approved management plans, should be producing timber. Agency resources, currently wasted by over-analyzing even modest timber sales or hazardous fuels projects, could be freed up to offer economically viable timber sales or fund restoration work if lands were managed on a trust basis. This would more closely mirror models used in both Wisconsin's State and County forest management programs. On federal forest acres designated for timber production, concrete management requirements could help spur investment in wood using industries and land management capacity. Existing mills would receive some assurance that the National Forests they depend on will produce reliable supplies of timber into the future. This could in turn stimulate economic development beyond a seasonal fire suppression industry which currently appears to overshadow all other investments in the forest products industry.

The American public would no longer be forced to bankroll a litigation driven analysis machine, but instead could spend the few federal dollars available to actually improve the condition of the National Forest System. The current system is unsustainable socially, economically, and ecologically. Piecemeal reforms hold little promise for rural communities that are dependent on federal timber supply.

As a final note, there was a bill introduced last year in the House and Senate entitled the Silviculture Regulatory Consistency Act, H.R. 2541/S. 1369. The bill seeks to codify a 35 year exemption for silvicultural operations from the National Pollution Discharge Elimination System (NPDES) permitting process allowed by the EPA, following a Ninth Circuit Court decision which denied those exemptions. I can think of no other regulatory burden that would have a greater negative impact on our industry if the Ninth Circuit's decision is left to stand. The delays in obtaining those permits alone would cost the industry millions of dollars in lost production. Our industry has proven that with the use of both mandatory and voluntary Best Management Practices established by the States and approved by the EPA, water quality issues from Silvicultural operations are negligible and implementation of the permitting process would have no net benefit to the environment.

With poor market conditions and loss of infrastructure currently facing our industry, an attempt to further regulate and add additional costs will certainly have negative impacts on our forest operations. We urge members of Congress to reintroduce and pass the Silviculture Regulatory Consistency Act.

Again, thank you for allowing me to provide testimony and comments as you consider efficiencies in the Federal Timber Sale Program. I would be happy to try and answer any questions you might have.

Exhibit "A"

A Report Generated by the Washington Contract Loggers Association Comparing the Federal Timber Sale Program to the State Timber Sale Program in Washington State

The Washington State Department of Natural Resources manages approximately 2.1 million acres of forested state trust lands. These DNR managed lands raise millions of dollars each year to fund the construction of public schools, colleges, universities, and other government institutions, as well as county and state services. Trust forests are managed sustainably and yield high per-board-foot prices.

From 2000 to 2010 the DNR sold an average of 566.1 million board feet of timber per year. This produced average annual revenue of \$168.6 million. The average selling price per thousand board feet was \$308.

In contrast, in 2010, 129.2 million board feet was sold from the 9.3 million acres of USFS land in Washington. This generated revenue of \$650,947 or about \$5 per thousand board feet.

When it comes to salvage operations, Washington State DNR reacts quickly in order to pursue recovery of value, ensure resource protection and re-establish a healthy working forest.

In September and October of 2012, the Table Mountain Complex fire burned thousands of acres in central Washington. Once it was safe to enter the area, DNR had staff out on the ground planning timber sales to salvage timber burned during the fire. In December 2012, the DNR put up the first of two sales that will remove fire damaged timber in this area, and 8.305 million board feet of timber was sold. The

second auction is planned for the spring of 2013, and will include any salvageable material that is not removed as part of the December sale. It is anticipated that all material will be removed no later than July 31, 2013.

As of the fall of 2012, the USFS was still studying if any salvage timber sales would be put in the fire area.

In December of 2007, hurricane force winds struck the coast of Washington State and significantly damaged forest lands. Immediately after the storm, DNR began assessing damage from the wind storm on state trust lands. At the time, DNR estimated blow-down timber from state trust lands to total approximately 100 million board feet. By June of 2009, DNR had sold approximately 113 million board feet of blow-down timber. DNR knew that the timber had to be sold quickly to maintain marketability and maximize value.

Exhibit "B"

County Timber Sale Revenues vs. Federal Timber Sale Revenues - Wisconsin

County	Acreage	2004 \$	2005 \$	2006 \$	2007 \$	2008 \$	2009 \$	2010 \$	2011 \$	2012 \$	0 year average \$	0 year total \$	Annual 19 return per acre	Annual 19 return per acre
Florence	38,300	670,496	361,187	752,641	711,513	1,135,548	656,804	1,031,183	1,000,070	806,427	802,323	8,023,234	22.18	
Forest	10,846	138,960	86,175	146,163	308,200	156,068	240,743				180,156		16.81	
	11,098							166,467			166,467		15.00	
	11,612								218,286	100,491	190,380		13.73	
												1,565,182		15.78
Langlade	128,000	1,724,378	1,849,569	2,180,430	1,835,309	2,176,300	1,472,940	2,108,946	1,800,175	2,354,878	1,822,318	19,223,183	15.82	
Lincoln	100,845	1,270,587	1,068,337	1,496,304	1,320,785	1,662,287	1,240,128	1,358,954	1,582,243	1,414,036	1,381,528	13,815,270	13.78	
Marquette	230,905	1,982,794	2,933,770	2,287,412	1,783,798	2,586,803	2,304,182	2,080,096	2,537,184	2,781,982	2,385,646	23,859,462	16.25	
Oconto	43,345	467,070	446,478	353,726	318,352	457,720	280,288	256,862	831,705	306,136	366,405	3,584,051	8.19	
Oneida	82,250	543,312	901,809	780,782	1,977,584	818,929	1,086,788	1,377,204	1,249,822	1,006,877	999,695	9,814,782	12.15	
Vilas	35,755										432,874	432,874	12.11	
Eight County	699,612	6,794,819	7,647,330	7,966,537	7,140,556	8,027,100	7,304,813	8,376,482	8,018,736	8,987,337	8,634,858	72,313,718	12.81	
CHIEF	1,830,847	5,024,331	6,616,505	8,822,464	5,823,083	3,658,707	4,800,320	5,363,252	4,719,884	6,075,540	5,544,508	58,446,084	3.62	

Note: Forest County added acreage during the evaluation period

Note: Vilas County provided acreage and an annual revenue return for the nine-year period

Exhibit "C"

Mr. Daniel J. Dructor February 21, 2013
Executive Vice President
American Loggers Council
P.O. Box 966
Hemphill, TX 75948

Dear Danny,

Please accept these comments and the accompanying information for your use, should it be helpful, in preparing for testimony to our U.S. Congress on the issue of the effectiveness of state-managed lands vs. federal (Forest Service) land from a business perspective.

First I would like to offer an overall view of the forest land acres of Idaho, who owns them and comparative timber harvest information.

Forests cover 40.5% of Idaho. Most forests are timberlands. Of Idaho's timberlands, roughly 4.3% is in private ownership, the State manages 2.6%, the Bureau of Land Management manages 1.0% and the federal National Forest system manages 22.7%.

Approximately 39 percent of Idaho's land (20.4 million acres) is within the U.S. National Forest System with more than three-fourths of Idaho's timber resources on those lands. That does not include the 4 million acres of federal forest lands in the National Wilderness Preservation System.

Between 1947 and 1990 federal lands provided 43 percent of the timber harvested in the state. In 1990 federal harvests began a steep decline as a result of several

policies, and since 1990 have provided 20 percent of the timber harvest. In the past ten years, federal lands have provided just 10 percent of the harvest.

It is factually clear that management of timber lands by both private and state entities is far more effective from both a land management view and a revenue-generating view.

The Idaho Department of Lands is charged with management of our state lands and has a long track record of being effective, producing revenue for the state endowments (which by our State Constitution is where proceeds of activities on state lands must go and the biggest of which helps to fund our K-12 public schools) all while managing the state timberlands in a proven sustainable manner.

The Associated Logging Contractors of Idaho represents close to 400 businesses that are logging and log hauling contractors. These businesses are the primary professionals who implement harvest operations on Idaho's timberlands across all ownerships.

Our members have example after example of working with the State of Idaho and the U.S. Forest Service and are able to do side by side comparisons of business practices of the two entities. Time after time, the State of Idaho's Dept. of Lands is much more nimble in its lawful execution of contracts and harvest activities than is the U.S. Forest Service. As an example, the state is able to provide on the ground decisions, within the state's laws, while the U.S. Forest Service has no such flexibility often needing to go to upper level management and taking weeks to come to answers while limited working seasons evaporate. The state is also able to react quicker to natural disasters, such as fire, and economic changes in the wood products markets than is the U.S. Forest Service.

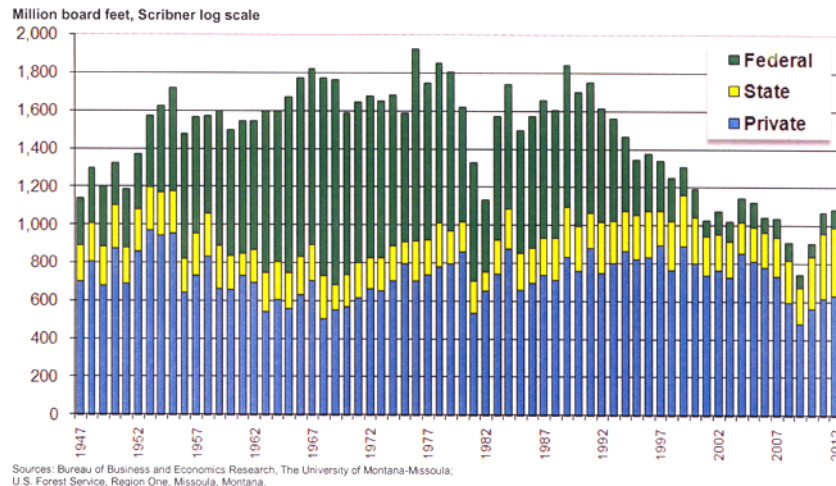
While we value our working relationship with the U.S. Forest Service in Idaho, it is extremely frustrating to watch them hindered by what seem to be bureaucratic obstacles that make it difficult to operate in a fiscally sound manner, let alone for the benefit of the long term health of our forests.

Thank you very much for this opportunity to provide our observations in this matter. Please feel free to call upon us if we can provide further information.

Sincerely,

Shawn Keough
Executive Director

Figure 5
Idaho Timber Harvest by Ownership
1947-2012



As **Figure 5** illustrates, between 1947 and 1990 federal lands provided 43 percent of the timber harvested in the state. In 1990 federal harvests began a steep decline as a result of several policies, and since 1990 have provided 20 percent of the timber

harvest. In the past ten years, federal lands have provided just 10 percent of the harvest. Approximately 39 percent of Idaho's land (20.4 million acres) is within the U.S. National Forest System—Oregon ranks a distant second at 25 percent. More than three-fourths of Idaho's timber resources are on federal lands, a total that does not include 4 million acres of federal forest lands in the National Wilderness Preservation System.

Source: Idaho Forest, Wildlife and Range Experiment Station, Moscow, ID—Station Bulletin 100, January 2013.

Mr. BISHOP. Thank you very much, and I appreciate that. All right. We will now turn to the Committee for questions for any of our four guests.

We appreciate, by the way, you coming great distances to be here with us today. I will turn, first of all, to the representative from Wyoming. If you have questions for any of these witnesses, I will go last in these rounds. I am not going to be as generous on your 5 minutes as I was with theirs, so—your five is not seven.

[Laughter.]

Mr. BISHOP. So if you have questions, please.

Ms. LUMMIS. Thank you, Mr. Chairman. I appreciate that, and I will get right into it. Mr. Jensen—first of all, thank you all for your testimony.

Mr. Jensen, I would like to start with a question of you. Your testimony indicated that environmental litigation is a barrier to effective active management in national forests. And I would note that we find that to be true in Wyoming, as well. Our State forester says that the Forest Service is the agency most commonly litigated on procedural matters under NEPA, as opposed to substantive matters on forest management. It is the procedural bog-down.

Could you elaborate a little about how litigation uncertainty impairs both the effective management, the substantive management, and the vital timber industry that we need to support that effective management?

Mr. JENSEN. OK, I will try. Just to give you a little bit of a visual on regulation, this is a Federal timber sale contract that I currently have.

Ms. LUMMIS. One contract.

Mr. JENSEN. One, and it is not a very big timber sale, not even for Wisconsin.

Ms. LUMMIS. How many pages is that?

Mr. JENSEN. It has got to be 200. It is a lot. I haven't counted. This is a State timber sale contract.

Ms. LUMMIS. How many pages is that?

Mr. JENSEN. I could probably count them in about 10 seconds. Ten, maybe.

Ms. LUMMIS. Thank you. And are those roughly comparable acreages, would you say?

Mr. JENSEN. The Federal timber sale is a little bit larger acreage. Where the environmental things come into play, especially on the Federal level, in this particular Federal timber sale that I have is a northern hardwood stand that has an invasive species. That timber sale has turned into a winter-only or frozen-ground timber sale. You could drive a car anywhere, it is gravel roads.

Being a third-generation logger, my father logged that land in the summertime when I was a child. I was with him, I remember

it, which was kind of a unique example that I actually remembered it. But there are so many regulations on invasive species, the time of year. And there were three different color markings on the timber. They were marked over because it was litigated and then it was passed, it was litigated again. There are areas blacked out that were areas that you couldn't harvest. It is northern hardwoods, and it is very common. There are no water quality issues. The only thing is the invasive species.

Ms. LUMMIS. Wow.

Mr. JENSEN. That is just kind of a little bit of an example of how it can really get quite far-fetched on a fairly average timber sale.

Ms. LUMMIS. And would you say that is the rule or the exception in what is going on in forests in Wisconsin?

Mr. JENSEN. Well, it is becoming more of the rule. What I failed to say—or I think what the Forest Service fails to see is that this particular timber sale is a very common, straightforward timber sale. And when they require that it is done in the wintertime, the marketability of that diminishes in half.

Ms. LUMMIS. Why?

Mr. JENSEN. Because of the time of year. In Wisconsin we have some fairly harsh winters, just like a lot of folks in the northern half of the United States. So summertime logging and operations are much more attractive than wintertime, because we can harvest timber anywhere. In the wintertime, because it is snow-covered, it is frozen, would limit the harvest.

Ms. LUMMIS. But your purchasers would have to let that wood cure for a while, anyway. So why does time of year matter?

Mr. JENSEN. It is the seasonal restrictions for on-the-ground operating. It has nothing to do with the timber.

Ms. LUMMIS. OK.

Mr. JENSEN. Itself.

Ms. LUMMIS. Thank you. The gentleman from Washington, I have a question. You mentioned that you have some 20 acres of timber land that you own.

Mr. GROSE. Yes, ma'am.

Ms. LUMMIS. And then you also, of course, work the State portion. Could you describe some of the differences that would occur in the way you would handle your own land, compared to State land and Federal land in Washington?

Mr. GROSE. Well, my property is a 40-acre piece, and like I said, in the last 10 years I have taken 3 different harvests off of that, different types of harvest.

Ms. LUMMIS. Do you rotate? Is it a rotational—

Mr. GROSE. It is not a rotation, per se, but yes, it is, because in 1981 I planted 2,500 trees. And I have had to go through and thin those trees. And that was one harvest. Actually lost money on that. But now those trees are 30 years old. In another 10 years I will be able to go through and harvest some more of those trees. I have about 300 trees per acre now.

They didn't do the whole property; there is still a lot of the property that is an older stand. Because I only did 5 acres back then. So I have this kind of rotation, but it is not a rotation of crops, as we see corn being planted every year. It is a rotation that is a 30-year rotation, instead of a 1-year, 2-year, or 10-year rotation.

Ms. LUMMIS. Thank you, and I will follow up more with you. But the——

Mr. BISHOP. Thank you.

Ms. LUMMIS [continuing]. Chairman is gaveling me down. Thanks, Mr. Chairman.

Mr. BISHOP. Mr. Grijalva, do you have questions?

Mr. GRIJALVA. Thank you, Mr. Chairman. Mr. Jensen, the Board of Commissioners of Public Lands of Wisconsin says that forest fragmentation is the biggest challenge facing the State. Are private forest lands being sold to develop for purposes other than the timber harvesting that we are talking about today, and that you mentioned?

Mr. JENSEN. I——

Mr. GRIJALVA. And is that fragmentation issue as big as the Land Commission says it is?

Mr. JENSEN. Well, I think there is an issue with fragmentation, because there is such a large amount of acreage of private lands in our State. But if I am understanding your question about the other objectives, you mean recreation, that sort of thing? Is that what you are talking about?

Mr. GRIJALVA. No, the question is, how big of an issue is this fragmentation, private land being sold to developers for other purposes, i.e., housing, commercial, affecting the topic that you brought up, which is the harvesting of timber as a revenue source?

Mr. JENSEN. Well, I think there is some issue with that. I agree that there is a problem with that, because of the large amount of private land in our State. We have a lot of waterfront, lakes, rivers, that sort of thing, which makes for attractive pieces of property to own. So that is——

Mr. GRIJALVA. OK.

Mr. JENSEN [continuing]. An issue.

Mr. GRIJALVA. Again, Mr. Jensen, aside from just increasing the amount of logging, what other ideas do you have that would generate additional revenue and reinvest those revenues in the National Forest in Wisconsin?

Mr. JENSEN. Well, I think solely, if the National Forest just met their ASQ, there would be monies generated like the States and counties do, more monies generated, and that would enhance your recreation, your trails, your campgrounds, your parks, which we have, which right now, the——

Mr. GRIJALVA. OK.

Mr. JENSEN. The lack of that management——

Mr. GRIJALVA. Yes, one other question, because you advocate the trust model in your testimony. Let me just ask you some simple questions for my own edification.

Who would choose the lands that go into the trust?

How would recreation, hunting, fishing, and other recreational interests be represented in that process?

What would ensure that timber—your point—timber output was prioritized primarily on those lands?

And would all environmental laws still apply, if we went into that trust model?

Mr. JENSEN. Well, I believe all the environmental laws would still apply. What was the first part of your question? I am sorry.

Mr. GRIJALVA. Who would choose? I mean, what goes into the trust?

Mr. JENSEN. Well, I guess I don't have a direct answer for that. I think that the collaboration with State—with the Wisconsin DNR State forest folks with the Federal would probably be the best way to do it, in my mind, because—

Mr. GRIJALVA. Would revenue return be a primary consideration if you were looking at which lands would go into the trust?

Mr. JENSEN. No, I think that, of course, revenue has a lot to do with it. I mean it generates a lot of the goods and services that we all want. But I believe that the ultimate health of the forest is what is going to drive this whole thing. And with the lack of management, we are not getting there.

Mr. GRIJALVA. OK, thank you.

Mr. JENSEN. Thank you.

Mr. GRIJALVA. A couple more questions. Commissioner, if you don't mind, your testimony compares the timber output and revenue levels of Washington's DNR and the Forest Service.

Mr. GROSE. Yes, sir.

Mr. GRIJALVA. Do you have a rough idea of what Washington's—that Department spent in 2011 to manage 2.1 million acres that were under—

Mr. GROSE. Yes, it is roughly 21 percent from the county's part and 25 percent on the other trusts. And that is the model.

Mr. GRIJALVA. Yes, but what is the amount?

Mr. GROSE. Well, \$220 million—I didn't do the numbers, but \$220 million divided by 21 percent of that, whatever that amount is.

Mr. GRIJALVA. Sixty?

Mr. GROSE. Well, it is four-something. Forty million dollars? Is that right? I don't know. I don't have—

Mr. GRIJALVA. Sixty million dollars.

Mr. GROSE. I don't have a calculator, anyway.

Mr. GRIJALVA. Well, let's not quibble over \$20 million.

Mr. GROSE. It is 21 percent—20 percent—

Mr. GRIJALVA. Obviously, Congress isn't quibbling over—

Mr. GROSE [continuing]. Twenty-one percent of \$220 million, whatever that is.

Mr. GRIJALVA. Well, in comparison, the Forest Service in the State manages nearly twice the number of acres and has allocated in its budget \$21 million. So that's one-third of the funding for twice the acreage. Does that number make sense to you?

Mr. GROSE. Well, it is actually almost four times the acreage that the State has. The Federal lands are 9.3 million acres and the State land is 2.1 million acres.

Mr. GRIJALVA. And State lands are \$60 million to manage and the Federal lands are \$21 million, with twice the number of acres?

Mr. GROSE. Those aren't my numbers. I—

Mr. GRIJALVA. Well, OK. All right.

Mr. BISHOP. Thank you. There will be another round, yes. Mr. Tipton, do you have questions?

Mr. TIPTON. Thank you, Mr. Chairman, for holding this hearing. And I would like to start with Mr. Jensen.

In your testimony, you mention that the current attitude of the Federal Forest Service is not to be in the business of making money, but rather to be able to comply with Multiple Use and Sustained Yield Act. You further note that some of the generation of revenue out of the forest can be better used to be able to reinvest in the health of our forests, and to better meet those goals for Multiple Use and the Sustained Yield Act.

I believe those points are really well taken. Could you maybe expand just a little bit on what type of actions you could take in Wisconsin to be able to meet some of those goals?

Mr. JENSEN. Well, number one—I mentioned it before—I believe that if the Forest Service was required to just meet their ASQ, it would take care of a lot of issues.

There are so many examples locally of just inefficiencies with the forest that resides in my State, I mean, I could go on with several stories. I mean there has been some stories, for example—

Mr. TIPTON. Do you have issues in your State as we do in the State of Colorado, in regards to infected trees?

Mr. JENSEN. I think we have very common issues, from an efficiency standpoint, all across the country. That is why they thought maybe it would be unique to have somebody from Wisconsin, rather than the Western U.S., because we have the same common problem, just, you know—

Mr. TIPTON. So it is endemic across our country. Mr. Jensen, if States and counties had the authority to be able to determine forest conditions on forest service lands that are hazardous, and to be able to implement some hazardous fuel reduction projects to be able to address those challenges, do you think that they would do a better job than the Forest Service?

Mr. JENSEN. I do. And the biggest reason is because they would implement the solution much faster. We have had some wind events, tornadoes. Several years ago, 7 or 8 years ago, we had a tornado that went through south of where I live. It crossed State, county, Indian Reservation, and Federal lands. And all the other entities implemented timber sales, cleaned up immediately. The Forest Service was last. I will give them credit, they did do a much quicker job than traditionally.

We had a tornado event in the northwest part of our State, devastated 100-some-thousand acres. There was timber that was laying on the ground over a year. It is useless now.

Mr. TIPTON. So we really need to be able to create an opportunity for our State and our county governments to be able to get in and address these issues.

Mr. JENSEN. Yes, I believe—

Mr. TIPTON. Great.

Mr. JENSEN [continuing]. The collaboration between States and Federal would go a long way because one size doesn't fit all.

Mr. TIPTON. Thank you. Governor, appreciated your comments, and I believe I quoted you directly here, where you made the comment that the system is broken. And in your testimony you mention that the current Federal land management processes and the activities of some environmental groups are largely to blame for the lack of responsible management on Federal lands.

What Federal processes are slowing things down? And how are some of the actions of environmental groups exacerbating these problems?

Governor OTTER. Well, I think we could wrap NEPA around a great deal of that. The Forest Practices Act that Idaho came up with, in many cases, it is what we use as a guide—it is based upon, not as has been suggested so much as the yield of dollars off of that management practice, but the health of the forest. Because this year, in Idaho, on 1,700,000 acres that we burned, which put over 700,000 pounds of carbon in the air—I would have had to have 4.6 million cars in Idaho to put that much carbon in the air, including 2.5 tons of mercury were put in the air, and all that watershed was destroyed, as well. And part of the reason for that is because of the overgrowth of the forest.

Mr. TIPTON. Right.

Governor OTTER. Where we should have, let's say, on a northern slope in Idaho 140 square feet of stumpage per acre, in many cases we have 600 square feet of stumpage.

Mr. TIPTON. Right.

Governor OTTER. So that when those catastrophic wildfires hit, there is a lot of fuel there. And they calcine the earth. They burn the earth very, very deep.

Mr. TIPTON. And we need to be able to address that. You know, Mr. Chairman, I think this panel has explained very clearly the degree to which States need to be able to take effective steps to efficiently respond to their management of the forest on Federal lands. We are suffering, really, from paralysis by analysis, I think, often times. And this results in lost revenues for our counties, for our schools, as well as unhealthy forest conditions.

In Colorado, the Federal forest service lands are interspersed with State and private lands, as well. And this patchwork of ownership makes it difficult to take a comprehensive approach to forest management. While the State is responsible for managing these forests, we are introducing some legislation, Healthy Forest Management bill and Wildfire Act, to be able to address, hopefully, some of the concerns you have.

Thank you, Mr. Chairman, and yield back.

Mr. BISHOP. Mr. DeFazio.

Mr. DEFAZIO. Thanks, Mr. Chairman. I am just curious about the—I would like to address the question to the Commissioner about the DNR and the HCP.

As I understand the HCP, it is in part predicated upon the restrictions on harvest on Federal land. And, therefore, you were given license to do things that might have constituted take but don't, because of the upstream or the other protections on Federal lands.

If those lands—if their management was changed in these proposals we are hearing here, those Federal lands were somehow devolved to the State and not—wouldn't that then affect your HCP? The HCP was issued with the idea that there were going to be certain restrictions on the Federal land. If those restrictions go away, wouldn't you have to renegotiate the HCP?

Mr. GROSE. I am not sure I understand the question. And from the standpoint of the HCP, the HCP is an agreement between the

DNR and the Federal agencies. So the HCP is for the State-owned lands. Now, the Federal——

Mr. DEFAZIO. Yes, but as I read it, it is predicated on a certain level of management on the adjoining or upstream Federal lands.

Mr. GROSE. Mr. DeFazio, I am not familiar with that part of that.

Mr. DEFAZIO. OK, all right.

Mr. GROSE. So——

Mr. DEFAZIO. Well, all right. I think that would be a problem. I mean that has been a discussion in Oregon, our private lands are managed under State forest practices. And endangered species apply, but they are not under the northwest forest plan because of the assumptions of what will happen on the Federal lands.

So I am just pointing out that if the management of the Federal lands changed, I think that would undercut and maybe require renegotiation of your HCP.

I just don't know about DNR management. I am just curious. I am seeing you are getting about an average of 600 million board feet off 1.8 million acres of land. But it says you are protecting old growth and/or unique structural areas. I mean how much of that is old growth or unique structural forest?

Mr. GROSE. I don't know the exact acreage.

Mr. DEFAZIO. OK.

Mr. GROSE. I know that the riparian zones are 200 feet from streams, and——

Mr. DEFAZIO. That would be all class one, two, three, or, you know——

Mr. GROSE. It must be, because I just have a little, tiny stream going through my place, and I have to go back 200 feet from that stream. And it is just a three-foot-wide stream.

Mr. DEFAZIO. OK.

Mr. GROSE. So I think there is a movement in the State to increase that on the larger streams, but I don't know what that amount is right now.

Mr. DEFAZIO. Yes. Well, a scientist at OSU has just done sort of a definitive recalculation of what length provides optimal riparian, other than no harvest at all. And he has come up basically with one old-growth tree length or height, which would generally be 250, 300 feet, maybe.

Mr. GROSE. Maybe 300 feet, yes.

Mr. DEFAZIO. And it is new and a very, very highly regarded science.

So, generally then, on these lands, it is pretty much industrial forestry. Is that correct?

Mr. GROSE. Yes, sir.

Mr. DEFAZIO. OK. So, I am just curious about that.

Governor Otter, I am just curious—good to see you again.

Governor OTTER. Thank you.

Mr. DEFAZIO. I think your legislature is proposing legislation. Who would pick the lands? I am just puzzled. I mean, again, this is highly theoretical, since there are obviously recreation values, hunting values, there are critical watersheds, there are a whole host of things that are protected and/or managed by the Forest Service under the multiple use concept.

But then, on the problem side, we also have—I think there is a mine somewhere, and I think it might be with the big tailings problem in Idaho. What is going to happen with those sorts of problem sites? Who is going to decide what you get?

Mr. GROSE. Well, I think the pilot project that would be suggested, the collaboration effort between the partners, would obviously identify the track of land for the pilot project itself. And it would obviously be picked based upon its ability to be managed in a multiple-use way. We do that on 1,300,000 acres of State lands every day. And so we have certain conditions and things that can go on and things that can't go on.

Mr. DEFAZIO. Right. How many acres are you talking about here with your proposed—

Mr. GROSE. For the pilot project?

Mr. DEFAZIO. Yes.

Mr. GROSE. Well, one of the initial ones was 2.5 million acres.

Mr. DEFAZIO. Which would be twice the size of your current State lands?

Mr. GROSE. Yes.

Mr. DEFAZIO. And they would become as State lands and be managed as State lands?

Mr. GROSE. No, I think we would still have to, in that pilot project, in making out the management plan for that pilot project, our partner in that would be the Forest Service.

Mr. DEFAZIO. OK. Thank you, Mr. Chairman.

Mr. BISHOP. Mr. Labrador, Ms. Herrera Beutler has a meeting with the Speaker shortly. Would you mind yielding to her to go forward?

Ms. HERRERA BEUTLER. Thank you, thank you, and I will make this as quick as possible.

This is mostly for Commissioner Grose. I have two quick questions. The first one—and this is to Mr. DeFazio's point that management of Federal lands, if we change it, it possibly could change the Habitat Conservation Plan between DNR on the State lands.

What I have heard from the panel's testimony is if we don't change the way that Federal lands are managed, it is going to impact State lands regardless. Could be catastrophic fires that endanger species and the health of our forests. So if you could, speak a little bit to that.

And also, there is a switch in tracks a little bit. What about the habitat on the State lands, on the DNR lands? How does the DNR's timber program affect species, specifically the Northern Spotted Owl?

Mr. GROSE. You know, the retained areas that we have allowed within the HCP accommodate the Federal agencies and their demands for that. We feel that we have complied fully with the HCP and have allowed for the incidental rulings that have come out.

So, I guess I am a little bit confused in the questions that I have been asked about that, because we have an approved plan by the Federal agencies. And when we operate under that plan, we have to allow for those different species that are out there, from fish to birds to elk, heaven forbid. I have a serious elk problem in my county. So we have allowed for all of those things within that HCP.

And I don't see the issue—and a lot of times on the Federal lands—of why we can work under the HCP, the same laws that they work under, and yet we can harvest a lot more timber. It is confusing to me.

Ms. HERRERA BEUTLER. In a quick follow-up, and then solicit the panel's thoughts on that, I had U.S. Forester Tidwell in the Interior Appropriations Subcommittee a couple weeks—well, I didn't, the Chairman did, but I am a member of the Committee. And he was making a request for more equipment and money to help fight fires. He was talking about the \$2 billion that they had to spend and they have to pull it from all these other areas to fight these catastrophic fires.

And I made the point one way, using the quote that Governor Otter used quoting GAO, one way in my mind—I think we were spending around \$300 million on the maintenance side and about \$2 billion on the fire-fighting side. If we switched those numbers—and possibly that money could be self-sustaining from harvesting off these forests and keeping them healthy—we may be able to put a little bit—to save some money and not do the reactionary fire-fighting, and do some management there. And I guess I would like this panel's thoughts.

Governor OTTER. Well, if I might respond—and primarily I want to focus on the catastrophic wildfires that we have. And many times in Idaho—I say, again—1,700,000 acres, \$214 million. My share of that is about \$15 million. You know what I can do with \$15 million in a classroom? Besides the fact that we lost a resource.

Now, that is what we see today, Congresswoman. But what we don't see today we will see when the watershed starts. Because you burn 1,700,000 acres of watershed and the Halstead, Mustang, and Trinity Ridge fires. Trinity Ridge was on the Boise reaches. But the Mustang and the Halstead were both on the Salmon River reaches. We have spent \$1 billion a year trying to recover the salmon runs up the Columbia River, clear up to Montana.

And when that runoff starts, we are going to silt those spawning beds, because most of those salmon are born in Idaho. We are going to silt those in, and we are going to lose an awful lot of the success that we have had.

And so, it is the loss of the watershed. And for years to come, you know, how long can we recover that? Because there was so much fuel there, it calcined the earth. It burned it very deep. We have places in Idaho that, from the 1910 fire, the Great Burn, still are not growing anything. Slate Creek, which is a contributory to the St. Joe, there still is nothing growing up there. It looks like our craters of the moon monument in Idaho.

So, if we add up all of those things that we have done, whether it is the loss of the endangered species habitat that we have spent \$1 billion a year creating, whether it is the quality of the water that is now going to be coming down the Boise, the Snake, and the Salmon Rivers, and the resulting loss of aquatic life as a result of that, when you start adding up all those things, we have to go back to the management, and we have to go back to healthy forest management.

Mr. BISHOP. Thank you. Mr. Horsford, welcome to the Committee. Do you have questions?

Mr. HORSFORD. Yes. Thank you. First, thank you, Mr. Chairman, for today's hearing. And to our witnesses, we appreciate very much you being here today.

Governor Otter, I would like to first thank you for taking the time out of your schedule to be here, and to be back in the House, and for giving us your perspective—

Governor OTTER. Thank you.

Mr. HORSFORD [continuing]. From a State perspective. And I noticed in your testimony that you focused on the economic value and potential of our national forests. Idaho has eight national forests. I am from Nevada; we have one, the Humboldt-Toiyabe National Forest.

Now, the Outdoor Industry Association estimates that 148,000 jobs in Nevada are directly tied to our outdoor recreation, generating \$10 billion in State and local revenue. And I understand that it is difficult sometimes to measure the economic impact, because there are so many different interests, particularly around small business. But for a State like Nevada, where we have a tourism focus, how do you recommend that we accurately measure that impact of our national forest lands?

Governor OTTER. Well, in many cases I think we have already seen some of the impact because of the cost of our catastrophic wildfires, as was suggested by the congresswoman before she left. We are spending an awful lot more money fighting forest fires than we are on the maintenance.

I have had meetings in the last month with the back-country horsemen, with the folks who can no longer use the trails into the wilderness area and into the forest area, because they haven't been maintained. And, as a result of that, they see a continuing dropping off in people that are coming to recreate, to hike, to camp, and to ride horseback into those back country areas. I can't give you that figure today, and I apologize for that, I should have come prepared for that. But I am not.

But I can tell you that, to the extent that we spend money on fighting a forest fire—which, in some cases, I believe could have been avoided—instead of on maintenance, that is going to be a continuing problem.

Mr. HORSFORD. OK, thank you. Mr. Jensen, your testimony emphasized the unique State model in Wisconsin. And I want to ask you, what are the lessons that we can apply in our situation in Nevada.

Part of my district, Mr. Chairman, includes rural Nevada. And we have an encroachment of Pinyon Pine into what would naturally be range lands. And our community, including ranchers, sportsmen, Federal agencies, and others are concerned with environmental restoration, which many of these stakeholders would really like to see a win-win solution to this problem.

In one of my schools, they actually use biofuels to support their energy needs. And it is done in partnership with the Forest Service. So based on your experience, would you share your thoughts on other economic activities like biodiesel as a solution?

Mr. JENSEN. In the State of Wisconsin, there are many different cogeneration plants using wood waste that are coming online, so it is becoming more of an attractive means of using raw material and

getting rid of wood waste and keeping the fire hazard down. We don't have near the fire hazard in Wisconsin like they do in the Western States, because we don't have the conifer trees. So it is quite a different world.

But the biomass is becoming a large thing. Wood pellet energy for home heating and all the way to industrial heating. And also for boiler fuel for manufacturers, large manufacturers. Even, like you said, schools. That is a very common thing in our State. So if you create that infrastructure and create the pathway to get there, that will become more attractive and cost effective. But with all the regulations involved, we are not at that point. Hopefully that answers your question.

Mr. HORSFORD. Thank you. Thank you, Mr. Chairman. And I believe this is really a bipartisan issue that we could work together on. And I look forward to working with you, Mr. Chairman, under your leadership on this issue, because I think there are things that we can do together.

If I could just briefly—Chairman Whitman, you touched on the needs of the tribal community in this. And I have met with the Walker River Paiute tribal leadership, and they were also expressing concerns around the very points that you address. So I just want to thank you for being here, and make sure that we continue to provide your perspective on these very important matters.

Mr. BISHOP. Thank you. Appreciate that. Mr. Labrador, you are finally up. Sorry.

Mr. LABRADOR. No problem. Thank you, Mr. Chairman. I was reading an article this morning and it had nothing to do with this hearing. It was Secretary of State John Kerry in Berlin, and he described a scene when he was 12 years old. He was in Germany with his father, who was a diplomat. And he describes that when he was about 12, he went on a bike ride, and he actually crossed a border and went from West Germany to East Germany. And he says, "I biked through the checkpoint right into the East Sector and noticed very quickly how dark and unpopulated it was," saying, "It left an impression that hit this 12-year-old kid." He said, "I felt a kind of foreboding about it, and I didn't spend much time there. As a 12-year-old I saw the difference between East and West." He later told his students, "I never made another trip like that, but I have never forgotten it."

Now, why am I sharing this totally unrelated story? About a year-and-a-half ago I made a—

Mr. BISHOP. Mr. Labrador, isn't that the same thing that happens when you go from Utah into Idaho?

Mr. LABRADOR. No, it is the other way around.

[Laughter.]

Mr. LABRADOR. So, about a year-and-a-half ago I made a helicopter trip over the Clearwater Forest. And you could see the difference between the State lands and the Federal lands. You could see the difference between the private lands and the Federal lands. And it is something that has left an amazing impression on me, because you could see a healthy forest versus a decaying forest. You could see one that was green and prosperous and vibrant, and one that was dying and that was about to go up in flames.

Governor Otter, have you taken one of those trips on a helicopter, and can you explain? Because sometimes we talk about these things and people don't understand. But it is something that has left an impression on me, and I just wonder if you have done something similar. And if you could, describe for the Committee what you have seen.

Governor OTTER. Well, thank you, Congressman Labrador. I would tell you that last summer I took a lot of those trips. We had one of the number one fires in the United States. It was designated so because of the potential damage. And that was the Trinity Ridge Fire. Now, Trinity Ridge is on the Boise reaches, so it is the watershed for the Boise River, which, at Weiser dumps into the Snake River. But it is also a very vibrant water body and it supplies a lot of water for Boise itself, and other communities up and down the river.

Perhaps Chief Tisdale said it best when he came to Idaho, and he said, "I estimate there is 14 million dead trees in Idaho," 14 million. I think that was very conservative. Had he been on that ride with me across Lucky Peak through the Arrow Rock reaches, up the south fork of the Boise, and then over the hill into the Anderson Ranch region to watch that Trinity Ridge 230,000 acres of forest burning between Pine, Idaho and Idaho City, he would have seen a lot more dead trees that hadn't been touched by fire yet. And that is one of the dangers.

As you well know, the Big Burn—we are at 103 years of the Big Burn anniversary. Most of the Big Burn was naturally replaced with Lodge Pole Pine. Lodge Pole Pine has a life expectancy of 110 to 120 years, that was 1,300,000 acres. We have a massive die that is coming on in Idaho without a bug touching it or without Tussock Moth, or without any disease, just from the Lodge Pole Pine itself.

So, you are absolutely right. I have been able—in fact, in part of that flight in Clearwater, you undoubtedly flew over tribal grounds, as well, and you saw a healthy, vibrant forest with lots of activity, wildlife activity. But you also saw a lot of human activity on those same private lands, whether it was the Potlatch land or whether it was the Nez Perce land or the Coeur d'Alene. In all cases, there is just a much healthier forest when it is attended to, and it doesn't get overgrown.

Mr. LABRADOR. Thank you. Mr. Chairman, in your testimony you discuss Senator Crapo's efforts with the Clearwater Basin Collaborative. I am a supporter of the initiative, and I look forward to the results they produce. Can you tell me the amount of timber receipts that Idaho County has received as a result of the CBC?

Mr. WHITMAN. The CBC is still waiting to be approved, it is still in its stages of going through the approval process. It will probably undoubtedly come before this group or whomever. I really don't know. It is at the top of the list of about 20-some-odd other groups throughout the United States.

Mr. LABRADOR. And why is it waiting?

Mr. WHITMAN. Well, there are a number of issues, I guess you would say. One is a bureaucracy, of course. But that affects everything.

We have gone to lengths to have everyone's input into this process. Right now we are waiting for it to be funded, to go through

the budgetary process, a hearing process, undoubtedly, where each element will probably be out for public review and questioning.

Mr. LABRADOR. Excellent. And you also talked about how the Tribe manages its lands to produce jobs and revenues, while also benefitting fish and wildlife.

Mr. BISHOP. Well, I know I skipped you, but you are red.

Mr. LABRADOR. You took a little bit of my time by attacking Idaho. Could I take just a little bit of my time?

[Laughter.]

Mr. BISHOP. You got 15 seconds, go for it.

Mr. LABRADOR. Why is the Tribe able to achieve this balanced management, while the Forest Service cannot?

Mr. WHITMAN. Simply because we manage wildfires, catastrophic wildfires. You look at 99.9 percent of the activity, it is the aftermath of the fires. Nobody goes back into the watershed to stabilize them. The ecosystems are broke. And when people go in at other activities, they accomplish the same thing. So what you have ending up with is a wasteland. We have had to go in and fix these for fisheries, for culture resources, for plants, native plant restoration, and endangered species of retrofits. So we have accomplished restoration and recovery activities on aquatics and terrestrials.

Mr. LABRADOR. Thank you very much. Thank you, Mr. Chairman, for your indulgence.

Mr. BISHOP. Thank you. I will let you—since this was the first time, the Chairman had a chance to answer a question. But what I said was true.

All right, Mr. Gohmert.

Mr. GOHMERT. Thank you, Mr. Chairman, and thank you all for being here. This is an extremely important issue for the people that are involved. And you know that very well. Being from East Texas, we have lots of pine trees and hardwood trees. And back when the idea of the National Forest was taking hold, it was sold to the people in East Texas, "Gee, if you will just let us have this as Federal land, we will manage it so well, we will have a good timber management program, and we will share the revenue." Because you can't tax—as you guys know, you can't tax that Federal land. So when the Federal Government comes in to a county and takes over the land, that tax revenue is gone.

But they looked at it and figured, "Well, surely you can trust the Federal Government, they are going to be sharing timber revenue with us, so that will be OK. Even though we can't tax the land, we will have all that revenue coming from the timber, and our schools will be OK, even with all that massive amount of lands off the tax rolls." And you know what has happened is what we have been talking about. Not only is there not good management; in some places, there is no management.

And after we had a couple of hurricanes come up through East Texas, timber was dying. You know what happens? If you can get there, it means millions of dollars. Otherwise, the trees come down, the bugs get in, the disease comes in, and you lose more of your forest. We couldn't even get the upper management moving forward so they would harvest those trees and at least prevent disease and bugs getting the others. It is all a management issue. But

we couldn't even—when the hurricanes had actually killed these trees we couldn't get revenue for the schools.

And I was just at Broaddus, Texas, 2 weeks ago, and these are kids—we don't always put the face on people that are affected—these are kids in the Broaddus School. It is landlocked. They can't move because they are surrounded by Federal, national forests. There is some private land, but they know there is no place for them to move in the area that is similar. So the school is landlocked, and they don't get any revenue off of all that Federal land around them.

So, I was wondering if it is just isolated to East Texas and the National Forest we have, or if that is a problem that you have seen with regard to the originally promised revenue that would help the schools and the counties. Anybody.

Mr. GROSE. I could respond that model was the national model, and the 25 percent rule that the schools and counties were supposed to get didn't—was good for the first 80 years it was in existence. And it has been the last 20 to 30 years that the problem has existed where we are not receiving those revenues, ergo the Schools Self-Determination Act, which was supposed to come in and make up for that lost revenue to the county schools, et cetera. And, as you well know, that dollar amount has decreased rapidly over the last few years.

So, yes, that model was supposed to be the model under which we were operating. The 384,000 acres in my county receive very, very little benefit from the work we do, not only on the National Forest, but roads and highways and things leading up to the National Forest. So you are absolutely right, it has affected all of us. In my home town we used to have a school that had 1,200 kids in it. Now the district is down to just over 300, because people have moved out of that area.

Mr. GOHMERT. There is no way to make a living. Yes, sir.

Mr. JENSEN. In the county that I live in, in northern Wisconsin, this is exactly what is going on. Sixty-five percent of the land base in the county I live in is National Forest.

Mr. GOHMERT. Sixty-five percent?

Mr. JENSEN. Sixty-five percent. The county I live in is called Forest County. It is timber. That is it. And everything else after that is—comes with is recreation, tourism. It's a beautiful part of our State. But our local schools, the town that I grew up in, is risking being closed, because of these payment in lieu of taxes. A county to the north of us—these are all logging towns, it is all timber-based. This thing is happening all over my State with these small, rural communities.

Now there are many schools and over time they will consolidate. But this is a specific reason why some of these schools are closing and risk closing where I live, because of the Federal forest program and the declining timber harvest. So that is exactly what is going on.

Mr. GOHMERT. And, Governor, I know you have done well as Governor of the State, but you still look good up here on the Hill.

Governor OTTER. Well, thank you. And, Mr. Chairman, if I might take my leave, I have to make a choice now. I have either got to

go catch my plane or spend another night in Washington, D.C. and out of Idaho. I am opting for the latter.

[Laughter.]

Mr. BISHOP. Can I break the trend here? For the remaining witnesses—Mr. Holt, our four Republicans over here, myself—do any of you have a question specifically for Governor Otter?

Mr. GOHMERT. And I yield back, too.

Mr. BISHOP. I assumed that much. Do you have one specifically for the Governor?

Dr. HOLT. Just greetings and a sign of appreciation for his taking part in this.

Mr. BISHOP. Thank you. Mr. Daines? Specifically for the Governor?

Mr. DAINES. I do. Governor Otter, Steve Daines from Montana. A pleasure to have you as my neighbor, as well. So thank you.

Governor OTTER. Thank you.

Mr. DAINES. Specifically, talking about the cost of the fire suppression and so forth, we had the worst forest fire year in Montana since 1910. We spent \$195 million fighting fires, \$50 million from our State coffers. My son plays high school football. We had to cancel Friday Night Lights in Montana last fall because the air was not safe to breathe.

Can you expand a little bit around how an aggressive forest management plan is critical to the safety of our communities?

Governor OTTER. Well, I can't give you specifics on it, but I can tell you this. When we have a forest fire in the National Forest—in the Federal forest, it is usually upwards of 13,000 acres. A fire on State land is less than 500 acres. A fire on private land—I don't know what it is on the Chairman's land, but on private land it is less than 500 acres. And that all comes down to what happens to the environment.

There is a lot of cost, Congressman, that we don't see. And that is why I spoke to that earlier about watershed loss, about all of our environmental restoration on the salmon runs, and the billion dollars a year that we spend every year for that. That is not just \$1 billion one time. That is \$1 billion every year.

And so, the \$214 million is the checks that we have to write today for the people that went in, risked their lives—in fact, Anne Veseth, one of them in Idaho this year, lost her life fighting that forest fire. It didn't have to happen.

We are not going to stop all forest fires. I am the first to admit that. But boy, there is an awful lot that we can do to reduce the intensity and the resulting damage of these catastrophic forest fires because of the overloading of fuel on very little land.

Mr. DAINES. Thanks, Governor.

Governor OTTER. Thank you.

Mr. BISHOP. Butch, let me ask three last questions and then we will excuse you. And I appreciate you being here.

The first one I think you just answered. In these last devastating fires in Idaho, the fires on Idaho State land, though, was less than half of your 20-year average.

Governor OTTER. Oh, yes.

Mr. BISHOP. I am assuming you are talking about management, specifically, about thinning that takes place.

Governor OTTER. Right.

Mr. BISHOP. Can I ask you also, how does the State timber program fund its operation cost?

Governor OTTER. It is self-funded, but it still yields for the beneficiaries about \$50 million a year. In fact, \$52 million alone went to schools.

Mr. BISHOP. OK. And as an old school teacher, I really appreciate that one.

Governor OTTER. You are welcome.

Mr. BISHOP. Let me—except it is the wrong State, but I appreciate that one.

Last question I want to ask simply in the two—comparing the Federal lands as well as the State forest lands, the recreational opportunity, how is that enhanced on the State lands vis a vis the Forest Service lands?

Governor OTTER. Well, that is part of the problem that we have got, Mr. Chairman, in Idaho is we are shutting down an awful lot of the Federal forest lands and the access to them, especially by the outdoor recreationalists. Because they are in such disrepair, in part. Obviously, sometimes when the fire danger gets to the extreme level, we try to curtail any activity in there, any kind of an open fire, any kind of activity in there, because we don't want to have to go in there and fight a forest fire.

So, we do not shut down the State lands near as much as the Federal Government has to close, sometimes permanently, some of the access into the Federal forest.

Mr. BISHOP. OK. Butch, thank you for being here.

Governor OTTER. Thank you.

Mr. BISHOP. It is good to see you again. Have a good trip back home.

Governor OTTER. Thank you.

Mr. BISHOP. Thank you. We will excuse him at this time. We have our three remaining witnesses, though.

Mr. Holt, do you have questions for the other three witnesses who are still here?

Dr. HOLT. Yes. Thank you, Mr. Chairman. For Chairman Whitman, how would either a trust approach or an outright conveyance to the State protect tree rights?

Mr. WHITMAN. At this juncture—

Dr. HOLT. And this is a fairly generous question—

Mr. WHITMAN. Yes.

Dr. HOLT [continuing]. But I would think you are the best person to answer that.

Mr. WHITMAN. It wouldn't protect the tribal treaty rights. In our instance, and probably in other Tribes, most of the Tribes, you know, the treaties were made with the Federal Government and they are Federally adjudicated in our case. And that pertains to all the resources that we are dependent upon.

And most thoughts were that, as the State would take that over, it says—the example they are saying it wouldn't harm tribal lands. Our rights have been adjudicated, and in our instance, 13 million acres, Federally adjudicated lands, our rights maintain within there. So all we gave up was the ownership of those properties, so that the States and their accompanying other governments—in this

instance talking about Idaho. Then there is Montana, Oregon, and Washington, where our lands were in. But those abilities to go out and access those lands and to pursue the rights of our livelihood were maintained.

Within that, of course, we sought the rights of going to do some management efforts to protect those resources. Again, they are protected by the Federal Government under those treaties. That doesn't go along to the State. There are State-recognized Tribes throughout the United States. But in our instance, we predate statehood. We were there actually before, well before.

Dr. HOLT. I wanted to ask you, Chairman, to reflect on the discussion that just occurred. With regard to management, you are an interested observer. Do you have any observations about the relative effectiveness and wise use of management for tribal-managed lands, State-managed lands, and Federal-managed lands?

Mr. WHITMAN. Well, as an "interested observer," we are a participant in all the work that goes on within that treaty territory. And those counties are depressed. We know, because we share in the same schools in some areas. Idaho County, Valley County, they are very depressed because of the PILT issue, paying in lieu of taxes of the timer lands. And that affects some of our students, our families, so forth. We are all basically dependent upon the same resources. Some families, that is all they have done all their lives. Some are contractors. Some barely get along as a certified Indian business that contracts with our government, Federal Government, and those 11 National Forests that we are working with.

Our restoration priorities are in critical designated watersheds. If there is a fire in a watershed, we want to make sure that the aftermath of that fire effort, when they take the equipment and the manpower away, often times the scars that are left are just as injurious as the fire itself. We have to evaluate that. We have to take our water samples, how we maintain, improve the continued animal species and diversity in those watersheds and those lands. We have to look at the terrestrials and aquatic systems, to make sure that they are there so that they—as we call it, our wheel of life, each one is dependent upon the other. That is not a part of ordinary management that is taught in schools that the Federal agencies, they have these people working with them—or the States. We have coined it "cultural science."

Dr. HOLT. Is either of the other two entities closer to your practice of management?

Mr. WHITMAN. No. We are always educating. We do that because we need to put monitoring controls within the current regulations. And we are just as frustrated with NEPA as everyone else, but it is where the application and the resultant bureaucratic flow of paperwork is there. We share the same concern—

Dr. HOLT. Just a yes or no in the last couple of seconds. So you wouldn't agree with the previous conclusion that the State management is definitely preferable to the Federal management?

Mr. WHITMAN. Not in itself, no.

Dr. HOLT. Thank you.

Mr. BISHOP. We have time to just go down the row again here, and then I will give the final questions in this round. Mr. Stewart.

Mr. STEWART. Thank you, Mr. Chairman. Appreciate your leadership on this. To the witnesses, thank you.

Mr. Jensen, you mentioned 65 percent. I long for that in some ways. I may have a record in that I have one county that is 97 percent controlled by the Federal Government. There are two counties in my district that are 90 percent controlled by the Federal Government. It is enormously important to those folks who are struggling out there to deal with some of that.

Forgive me for restating the obvious. I recognize that forest management is complicated, that sometimes it is subjective, that there is science involved but there is judgment involved, as well. Some of the issues are, I think, clear. We have talked about some of those today.

One of them, of course, that has been mentioned several times is on many of these National Forests and these national lands, the Bark Beetle has come in, has infested and has destroyed millions of feet of timber. I used to be the leader of an environmental company where we would file for permits to go in and timber that dead wood. As soon as a private company did that, often—in fact, almost always—various environmental groups would then file suit, knowing that they could delay that permitting process for a number of years until there was no more commercial value in that timber. It is just one example.

And so, I would ask you this. In a big picture sort of way, if you were king for a day, if you were someone who could actually change policies, what is the one thing that you would do? What is the one regulation that you would reform that you think would have the greatest impact on some of these issues regarding the management plans? Either one.

Mr. JENSEN. Well, that is a tough question. I wish I could have thought about that a little bit more before you asked that. But I just think—and I don't know if I am going to answer your question; I just have a thought—I just think that in all of our environmental issues that we have, a lot of times it is based on emotion, not on science. And ultimately, the health of the forest requires timber to be harvested.

When the timber is harvested—I mean I go to the West every year, thankfully, as a hunter, as a tourist, see the beautiful Western States. All the game is in the managed forests. And it just breaks my heart, as a person that has grown up in the forest and making a living, to see timber laying on the ground, to see forest fires where there is no game, to see the ground burnt so hard that nothing else will grow.

So, I am not sure I am answering your question correctly—

Mr. STEWART. Well, let me just press on that just a little bit. Is there one thing that stands out to you that recurs again and again, or that seems to have a greater importance than the other? Do you think, "If we could do this one thing it would really have an impact on how these are managed"? And apparently not—Mr. Jensen, I don't mean to put you on the spot—but apparently not in the sense that you have had to consider that, how best to answer that question.

So correct me if I am wrong, but to you, apparently, there is a number of things, and one particular thing doesn't really jump out at you.

Mr. JENSEN. Well, I mean, just getting back to just actively managing the timber, harvesting the timber.

Mr. STEWART. OK. Yes, harvesting. Yes.

Mr. GROSE. Congressman, I would have to say NEPA—

Mr. STEWART. Yes?

Mr. GROSE [continuing]. Is a big problem. I think that—we hide behind, I think sometimes, NEPA. Giving us a reason for not doing anything. And it seems to me, at least, that once we get one endangered species taken care of and do all the things that we need to do, as we did with the Spotted Owl in the northwest, then another thing comes up. And then, when we get rid of one issue then another thing pops up. I kind of look at it like a building inspector giving a final punch list. I would like to see the final punch list. I would like to know what I have to do in order to meet all of NEPA in one shot here, so that I don't have these new issues coming up. I need that punch list so I know where I am going.

There is so much uncertainty out there in the timber industry that people in that industry are getting out of it, because they can't do it. They can't live with the uncertainty that exists. If the Gifford Pinchot National Forest only harvests 50 million board feet a year, that is not enough timber to really have one operator operate for that year in that forest. So we need that punch list. We need something that gives us some certainty into the future of what is going to happen.

Mr. STEWART. I appreciate that answer, and I agree with you, as well. If you had asked me, the NEPA process, I think, would be the one thing that would jump out at me. It is an example of a great intention that has gone awry over the years. Thank you. I yield back.

Mr. BISHOP. Thank you. Commissioner. Mr. Southerland, has been waiting patiently. Questions?

Mr. SOUTHERLAND. Mr. Chairman, thank you. As a guest to the Subcommittee, I appreciate your allowing me just a few moments. I am from Northwest Florida. We have the Apalachicola National Forest, which is obviously critical to my entire region, but clearly, the counties that make up and surround the Apalachicola National Forest. And some of the things that are concerning me, not just about my district, but also my State, Florida's highest-valued agricultural product is trees. A lot of people don't realize that about Florida.

Over \$16.6 billion is infused into Florida's economy from the manufacturing and distribution of forest products each year. And Florida's forest products, industry and forestry, contributes, supports communities all over the State of Florida. Over 133,000 employees of Florida's forest industry are paid nearly \$5 billion each year. And Florida has over 16 million acres of forests.

My concerns with the timber industry, you are talking about some of the point source legislation that seems to really be targeting our logging operations, limited truck weights, you are talking about increased diesel prices. I am hearing what you just stated about loggers and people in the timber industry going out of

business all over the country. And yet we still hear the Federal push to acquire more land. They have this insatiable appetite.

So, if we are not managing our forests—as I think this panel has clearly outlined—and we have individuals that are getting out of the business, companies that are getting out of the business that are critical in order to properly manage those forests, then land acquisition to continue to exasperate and increase the magnitude of the problem should really be out of the question. Do you agree with that statement, or is that foreign to—is that wrong?

Mr. JENSEN. I agree wholeheartedly.

Mr. GROSE. Absolutely. One other comment I would make is a logging operation in Washington State, one tower costs in excess of \$1 million now. That is for one logging operation, one tower, one logging tower. So you can't expect people to do business and put that kind of outlay, and then continue their business. They have to have that flow of wood to do so.

So, yes, you are absolutely right. It is a huge problem, nationwide. We shouldn't be purchasing more land. And, moreover, in my opinion, we shouldn't be making more of our National Forests into wilderness areas and wild rivers areas.

Mr. SOUTHERLAND. Well, and Mr. Jensen, I know I heard you make reference to, I think, 65 percent of the land in your home county is owned by the Federal Government. And so, therefore, if logging communities, if they cannot have access to those forests—and I would be willing to bet that maybe your forests there have the same problems with the Apalachicola National Forest, in that the mortality rate of our trees is higher than the harvest rate, which seems to be somewhat ludicrous, and you are creating fire hazards, it sounds like you and I come from a very similar area.

But how detrimental is it to the communities that are—that really have no option? They seem to be stuck. They want good schools, they want to provide education for children. They want to make sure that the local services that they expect from government are able to be funded. But they also recognize that if they do not have a tax base, that they are stuck. Do you find the same thing in your home county?

Mr. JENSEN. I do. I find exactly that thing. From the forest standpoint, we don't have a fire hazard to speak of in our State very much. But we do have infestation, invasive species, that sort of thing. Where Federal forest lands border private and State and other owned lands and Federal, that is spilling over into these other lands, and it is costing these other land owners, whichever it may be, more money to manage that.

Also, with our schools, in that county that I live in, people are—literally, they are driving around the forest, going out for work, for school, for, literally, everything. And so it is very devastating.

Mr. SOUTHERLAND. Well, just looking at the last 30, 40 years, say back to the 1970s, you look at the amount of timber that is harvested around the country. You look at the trajectory. We see graphs all the time that show the trends are incredibly alarming. We are seeing neighborhoods that are ravaged by fire. We are seeing the floor of our forests are not really places that wildlife can thrive.

If we continue on the current trend, predict out for me—last question, Mr. Chairman—predict out for me 20, 30 years going forward, if we continue on the current trend.

Mr. JENSEN. You are asking me?

Mr. SOUTHERLAND. Yes.

Mr. JENSEN. Well, I think it would be catastrophic. Where there are areas where there is a National Forest, there will be nothing there. There won't be any infrastructure. If we wait too long here to get the timber levels to a manageable amount, to an acceptable amount with the Federal Government, we are going to lose all the infrastructure facilities that use wood. Therefore, your tax base, all of those things, will be lost.

So, in 30 years, if we continue on this trend, we won't need to talk about it any more.

Mr. SOUTHERLAND. Yes. I thank you very much. And, Mr. Chairman, I yield back. And thank you again for allowing me to come in for a few questions.

Mr. BISHOP. Happy to have you here. Mr. Grijalva, do you have any questions?

Mr. GRIJALVA. No, just to thank the witnesses. And particularly let me thank the Chairman. The questions that I—Mr. Holt, the question that I was going to ask you, Mr. Chairman, he asked as to how we assure that we protect treaty obligations, government-to-government consultation and the sovereignty prerogative of your nation. I thought your answer said that it is not, because that relationship and trust responsibility is with the Federal Government. I think it is a complication. And this whole discussion about giving it back to the States or something based on a model, it is a huge complication, it is a constitutional complication. So, before everybody gets on their high horse about this, I think we need to check on every one of those details.

With that, thank you for the hearing. I appreciate it.

Mr. BISHOP. Let me end this thing, if I could, with a couple of questions to the remaining guests that we have.

Mr. GROSE, I am going to do this as quickly as I can. In your experience, the trust model and the responsibility to manage lands for financial returns, does that in any way conflict with other multiple-use benefits? For example, would access to hunting or fishing rights or camping, recreation, be harmed by that kind of an approach?

Mr. GROSE. As a matter of fact, Mr. Chairman, it actually helps that aspect. In our State lands we don't have anywhere near the restrictions on our State lands that the Federal Government has put on the Federal lands in the State of Washington. I have ORV and ATV groups that want to get on the Federal land, and the Federal lands are severely restricted on what they can do on those lands. And the Gifford Pinchot National Forest, they have 22 miles of road that they can ride on. They are asking for more and more and more, and in fact, are seeking State legislation to allow them to license their vehicles so that they become a licensed vehicle, so then the Forest Service can't prohibit them from riding on Forest Service roads.

Mr. BISHOP. All right.

Mr. GROSE. So quite the contrary. We encourage tourism, fishing, hunting, all of those things.

Mr. BISHOP. Thank you. I appreciate the Governor talking about the value of thinning as management, I appreciate your comments on recreation.

Mr. Jensen, very quickly, does the forest health differ between State, county, and forest lands?

Mr. JENSEN. I think dramatically. The forest health of the National Forest is, because of the infestation, lack of management, the crowding of other trees, there is no game because of lack of management—and I am speaking from where I live—there is no game, because of lack of management, there is no undergrowth coming up. So that the growth rates of these, of the National Forests, because of lack of management, is, in and of itself, a huge problem, versus the active management of the State and county forests.

Mr. BISHOP. Thank you. Let me ask you the same thing I asked him, as well, in a different way. In your experience, on State and county forests, balancing multiple use, does that in any way—is that diminished by timber production?

Mr. JENSEN. Not at all. One of the counties—just to give you a quick example, one of the counties that I do a lot of work in is Langlade County. Very pro-timber State—

Mr. BISHOP. Let me stop you. You answered the question perfectly, and I am not trying to be rude in stopping you. I am just trying to get us out of here.

Mr. JENSEN. OK.

Mr. BISHOP. So let me ask one last question to you. And if you can do this, you can give me an example. When Gifford Pinchot first started the National Forest Service, he said specifically it was not about conservation, it was not about habitat for, as he called them, critters. It was about sustaining a revenue source in the Federal Government and providing enough timber for housing as time was going on.

The Forest Service has blamed the crash in the housing market as one of the reasons for a decline of timber sales. Do you agree with that assertion?

Mr. JENSEN. No.

Mr. BISHOP. If you want to give me an example now I will let you; I have 2 minutes left.

Are there other countries that are importing timber into the United States?

Mr. JENSEN. Are there countries importing timber—are we importing—

Mr. BISHOP. Are we importing timber, yes, into the United States?

Mr. JENSEN. We are importing timber, forest products, from Canada, sure, absolutely.

Mr. BISHOP. All the time?

Mr. JENSEN. All the time. Ask the folks in the northern tier of the United States.

Mr. BISHOP. I appreciate it, thank you. I am sorry to cut you off. I appreciate those answers.

Chairman, let me give you the last one, if I could, here. Your Tribe has done a great job in managing fishing and wild habitat,

as also producing jobs and revenue. In fact, I think one of the things we might be willing to look at is how Tribes have managed their lands on their Reservations vis a vis the States and the Federal Government.

As I am understanding, though, one of the things that is an advantage to you is that the management of the lands you have comes from those people who are part of the Tribe who are living there on the land who are closely associated with the health of these lands, and attached to it. Am I inaccurate in that assumption?

Mr. WHITMAN. No. It is all the people that work with us, for us, those who live amongst us, and those of us who are Nez Perce that do that.

Mr. BISHOP. One of the ironies I have found is that often those, even in the Federal Government, who are on the land and who actually live there, make decisions that seem to be common sense. It is once you get to the higher levels that decisions are made that simply sometimes are frustrating and unexplainable at some point. So I appreciate the fact of what you have done with the lands that are yours as part of the Reservation, part of the treaty rights that you have.

I also would like to echo the Ranking Member in thanking you for coming these great distances, for being with us here. We have kept you here for a couple of hours now. I hope it was worth your time. I do know that the answers that you gave to Committee members were interesting, were insightful, will be helpful for us as we go about looking at ways of trying to improve the forest systems and improve the ability of having communities that rely on the forest become much more independent and use the forests in a very productive manner.

So, I thank you for being here. I appreciate your time and testimony. Like I said, your written testimony is part of the record. If Members have other questions, they may at some point put them in writing. We would ask you, if we indeed have some, if you would be willing to respond to those in writing, as well.

And, with that, if there is nothing else, Ranking Member?

Mr. GRIJALVA. No, thank you, Mr. Chairman.

Mr. BISHOP. Thank you for being here. The hearing is adjourned. [Whereupon, at 12:06 p.m., the Subcommittee was adjourned.]

[Additional material submitted for the record follows:]

[A letter submitted for the record by Philip Rigdon, President, Intertribal Timber Council, follows:]

March 11, 2013

The Honorable Rob Bishop, Chairman
Committee on Natural Resources
Subcommittee on Public Lands and Environmental Regulation
1324 Longworth House Office Building
U.S. House of Representatives
Washington, DC 20515

The Honorable Raúl Grijalva, Ranking
Committee on Natural Resources
Subcommittee on Public Lands and Environmental Regulation
1329 Longworth House Office Building
U.S. House of Representatives

Washington, DC 20515

Statement submitted for the record on the Subcommittee's Oversight Hearing of February 26, 2013 on "State Forest Management: A Model for Promoting Healthy Forests, Rural Schools and Jobs."

Dear Chairman Bishop and Ranking Member Grijalva:

The Intertribal Timber Council (ITC) hereby submits this statement for the Subcommittee's hearing record of the Subcommittee's Oversight Hearing on "State Forest Management: A Model for Promoting Healthy Forests, Rural Schools and Jobs" held Tuesday, February 26, 2013.

The ITC is a thirty-seven year old national association of Indian tribes and Alaska Native organizations holding more than 90% of the 18 million acres of tribal forest land held in federal trust, as well as over four hundred thousand forest acres in Alaska.

The ITC's purpose is to advance the understanding and management of Native American forests and natural resources. Along with other forest land owners, tribes and Alaska Natives share a collective stake in the health, utilization and sustainability of our nation's forests.

Our forests are an integral part of our homelands and we have cared for them over countless generations, relying upon them for cultural, spiritual, and physical sustenance, as well as governmental revenue and jobs for the local community. A number of tribes have sawmill operations, which can be the last such facilities across wide areas. The federal government also has fiduciary obligations to protect and perpetuate the health and productivity of tribal forest resources. Beyond the borders of our reservations, federally reserved tribal rights and interests often apply to neighboring public lands.

Tribes share many of the forest issues, concerns, and responsibilities that apply to other forest land owners, including states. Disease, insect infestation and wildfire are common concerns, as are invasive species, climate change, and the disappearance of management, harvesting, transportation and processing infrastructure for forest products. And we have had a long standing and increasing concern about the paralysis afflicting the management of neighboring federal forests. The inability of federal agencies to manage the forests entrusted to their care poses potentially devastating consequences for tribes, states, and other neighboring forest land owners, and is prompting the tribes, like the states, to pursue alternatives to address this growing problem.

On this occasion of the Subcommittee's oversight hearing on state forestry, its comparison to federal public forest management, and state-based suggested responses, the ITC seeks to provide the Subcommittee with a brief overview and update of tribal perspectives on similar issues. These comments seek to introduce the Subcommittee to ITC activities that are now still in process and are pending final reports:

1. the Tribal Forest Protection Act, which seeks to facilitate tribes performing forest health projects on neighboring federal public forests, and a review of hindrances to its implementation;
2. the ITC Anchor Forest proposal, which seeks transboundary cooperative forest management to preserve forest health, productivity and infrastructure;
3. the coming completion of the third statutorily mandated report of an Indian Forest Management Assessment Team (IFMAT III), which is an independent comprehensive decadal review of the status of Indian trust forests and forestry, and is the only such review of federal forests; and
4. the need to recognize and protect tribal treaty and other rights and interests on federal public lands in any potential revision of that land's management.

1) The Tribal Forest Protection Act

The Tribal Forest Protection Act (TFPA, P.L. 108-278) was enacted after a series of devastating wildfires came off of federal public forest land onto Indian reservation land, burning thousands of acres of tribal forests, destroying homes, disrupting vital ecological functions, and trapping and killing reservation residents. The Act seeks to enable tribes to carry out fuels and forest health projects on Forest Service and Bureau of Land Management lands that pose threats to tribal trust lands or reserved rights. Tribes propose the projects, and while their acceptance is at the discretion of the local U.S. Forest Service or BLM, the Act intends that the two agencies give the proposals special consideration. Implementation, however, has been a disappointment. Only six TFPA projects have been successfully implemented on Forest Service lands since the TFPA was adopted in 2004. The consideration of proposals has been extremely slow, often taking years, frustrating both the tribes and the Forest Service.

To identify impediments to the Act's success, the ITC, working in collaboration with the Forest Service and Bureau of Indian Affairs, has been conducting an investigation into the TFPA's implementation. The final report is expected out in the next few weeks, and while not yet final, it appears that points of difficulty include a lack of training on the TFPA and federal-Indian relationships, inadequate agency funding for tribally proposed projects, frequent staffing turnover, and the cost and legal hurdles posed by federal administrative processes. It is hoped the TFPA report and its findings and recommendations can provide information helpful to improving the TFPA's effectiveness. The "Good Neighbor" authorities for Colorado and Utah provide limited authorities similar to those tribes can pursue under the TFPA.

2) The ITC Anchor Forest Proposal

The ITC is exploring the concept of Anchor Forests as a means to try to maintain healthy working forests on the landscape. Economic benefits from harvest of wood products are essential to address forest health problems on federal lands, sustain stewardship practices on private, tribal, and state forests, defray costs of management, and provide environmental services. Anchor Forests are intended to provide a foundation to foster collaboration and cooperation across ownership boundaries and among diverse interests. For regional planning and development, Anchor Forests support the capacity to mount and focus financial resources for investments in infrastructure and ecological functions by identifying regional needs, opportunities, and priorities.

Anchor forests are large, contiguous areas of land with four major characteristics:

1. A reasonable expectation for sustainable wood commodity production as a major management objective; and
2. Production levels sufficient to support economically viable manufacturing, processing, and work force infrastructure within accessible transportation; and
3. Long-term management plans, supported by inventory systems, professional staff, and geographic information systems; and
4. Institutional and operational capacity for implementation.

The first two characteristics center on the relationship between commercial activities and the ability to care for forests. Anchor Forests are intended to be capable of sustaining production levels of forest products at a scale necessary to maintain at least a minimal level of competition (~200 MMBF) within viable transportation distance (~60 mile radius) of processing facilities. Because of long-term commitments to stewardship on relatively large blocks of land, Indian forests are prime candidates to be recognized Anchor Forests. Participation in an Anchor Forest is voluntary.

Over the past two years, the ITC has been evaluating Anchor Forest prospects, including a formal study initiated last fall by the ITC with U.S. Forest Service assistance. This ITC/USFS Anchor Forest Pilot Project in Washington State is expected to be completed in late 2014, but we will be continually gathering additional information on the Anchor Forest proposal while the Pilot Project is underway. The on-going goal is to establish working Anchor Forests and evaluate both their creation and operation. Anchor Forests are also being examined by a group of independent forestry experts in the third decadal assessment of the status of Indian forests and forestry, IFMAT-III.

3) IFMAT III

Section 3111 of the National Indian Forest Resources Management Act (PL 101-630, 1990) requires that every ten years the Secretary of the Interior provide for an assessment of Indian trust timber resources and its management, to be conducted by a team of independent experts. Each report of an Indian Forest Management Assessment Team (IFMAT Report) is to include examinations, with findings and recommendations, of eight statutorily identified tasks, and is to be delivered to the Senate Committee on Indian Affairs, the House Committee on Natural Resources, Indian tribes and the Administration. The Interior Department has contracted with the ITC for the assembly of the assessment teams and delivery of the reports. The first IFMAT Report was completed and delivered in November 1993, the second in November 2003. Congress held oversight hearings on both reports. The third assessment has been underway for more than a year and is expected to be completed this June 2013.

This is the only regularly scheduled independent review required for any federal timber land, and as such is unique and valuable, particularly as the reports accrue over time. In addition to its value to the tribes and the federal trust management of Indian forests, the report's discussion, findings and recommendations could cast an informative light on federal public forest management.

4) Recognize and protect tribal treaty rights and interests on federal public land

The ITC endorses the testimony presented by Nez Perce Tribal Chairman Silas Whitman at the Subcommittee's February 26, 2013 oversight hearing on "State Forest Management: A Model for Promoting Healthy Forests, Rural Schools and Jobs," the same hearing for which this ITC testimony is submitted. Tribal treaty rights and other rights and interests on federal public land must be fully recognized and protected in any arrangement that might be struck regarding those lands with states, other governments, or private parties, including such proposals as "good neighbor" management authority, leases of federal public lands, federal forest land "trusts," or any form of federal land title transfer.

The ITC also wishes to reiterate the ITC testimony submitted last Congress to this Subcommittee (then titled the "Subcommittee on National Parks, Forests and Public Lands") for its July 20, 2012 hearing on H.R. 6089, the Healthy Forest Management Act of 2012, including the following statement therein:

"The Intertribal Timber Council (ITC) is concerned over the potential for H.R. 6089 to adversely impact tribal rights and interests. While ITC shares concerns regarding the need to undertake active management of lands under the jurisdiction of the U.S. Forest Service and Bureau of Land Management, state assumption of significant federal administrative and programmatic functions must be constrained to ensure that management fully complies with requirements of federal statutes, regulations, judicial decrees, and fiduciary responsibilities towards Indian tribes. Our concerns are multi-faceted, including the need to preserve the opportunity for tribes to initiate projects to protect trust properties under the Tribal Forest Protection Act (TFPA, P.L. 108-278, 25 U.S.C. 3115a), protection of cultural and archeological sites, respect for the exercise of religious freedoms and the conduct of ceremonies, and protection and preservation of tribal treaty and other reserved rights."

Conclusion

In conclusion, the ITC urges the Subcommittee, perhaps in conjunction with the Subcommittee on Indian and Alaska Native Affairs or at the full Committee level, to convene a comprehensive hearing on the status of our nation's forests, concerns regarding their economic and ecological viability, and potential initiatives that are needed to sustain their health and productivity.

Such a hearing could incorporate Committee oversight of the IFMAT III report, in keeping with the oversight hearings conducted by previous Congresses of the IFMAT I and IFMAT II reports. Additionally, by the June release of IFMAT III, the report on Tribal Forest Protection Act implementation will be finished, and the Anchor Forest Pilot Project will be further along. The hearing could take testimony from tribes, states, federal tribal and public forest land managers, academic experts, NGOs, and private parties on numerous similar or overlapping interests: All parties have concerns about the declining health of federal public forests; The Tribal Forest Protection Act has similarities to current Good Neighbor Authority; The Anchor Forest Pilot Project has similarities to, and differences with, the Collaborative Forest Landscape Restoration Program; The idea of federal forest trusts for states could be compared and contrasted to experience with the federal trust for tribal forests, and The IFMAT III report will include a detailed examination of the status and management of tribal forests held in federal trust as well as comparisons with federal public and private forests.

The ITC is actively engaged in a variety of activities generally parallel to those being explored by states, NGOs, and other parties. We appreciate the opportunity to inform the Subcommittee of the ITC's undertakings, and hope our efforts will be of interest and assistance to the Subcommittee as it considers current federal public forest land issues.

Sincerely,

Philip Rigdon
President
Intertribal Timber Council

cc: Rep. Don Young, Chairman, House Natural Resources Subcommittee on Indian and Alaska Native Affairs
Rep. Colleen Hanabusa, Ranking, House Natural Resources Subcommittee on Indian and Alaska Native Affairs
Rep. Mike Simpson, Chair, House Appropriations Subcommittee for Interior, Environment, and Related Agencies

Rep. Jim Moran, Ranking, House Appropriations Subcommittee for Interior,
Environment, and Related Agencies
Sen. Maria Cantwell, Chairwoman, Senate Committee on Indian Affairs
Sen. John Barrasso, Vice Chairman, Senate Committee on Indian Affairs
Sen. Joe Manchin, Chairman, Senate Energy and Natural Resources
Subcommittee on Public Lands, Forests and Mining
Sen. John Barrasso, Ranking, Senate Energy and Natural Resources
Subcommittee on Public Lands, Forests and Mining
Sen. Jack Reed, Chairman, Senate Appropriations Subcommittee for Interior,
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